

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division

EXHIBIT 2  
DATE 1-17-07  
HB 2

### DISABILITY SERVICES DIVISION CONTACTS

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### WHAT THE DISABILITY SERVICES DIVISION DOES

The Disability Services Division assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services to families, case management, telecommunications services, and a variety of employment outcome-related services. This division is responsible for medical adjudication of all claims for Social Security Disability Insurance and Supplemental Security Income. The division is also responsible for the state institution at the Montana Developmental Center in Boulder.

### Statutory Authority for the Disability Services Division

Statutory authority for the division comes from: Title 53, MCA; Title 19, Social Security Act; 29 U.S.C. 721 et. seq.; 29 U.S.C. 796 et. seq.; 29 U.S.C. 774; 29 U.S.C. 777b; 29 U.S.C. 2201 et. seq.; 42 U.S.C. 75, 6602; 72 U.S.C. 1300; 42 CFR 441.302(b); 42 CFR 441.302(g); 45 CFR 74.62; 34 CFR 303; 34 CFR 361; and 20 CFR 400-499.

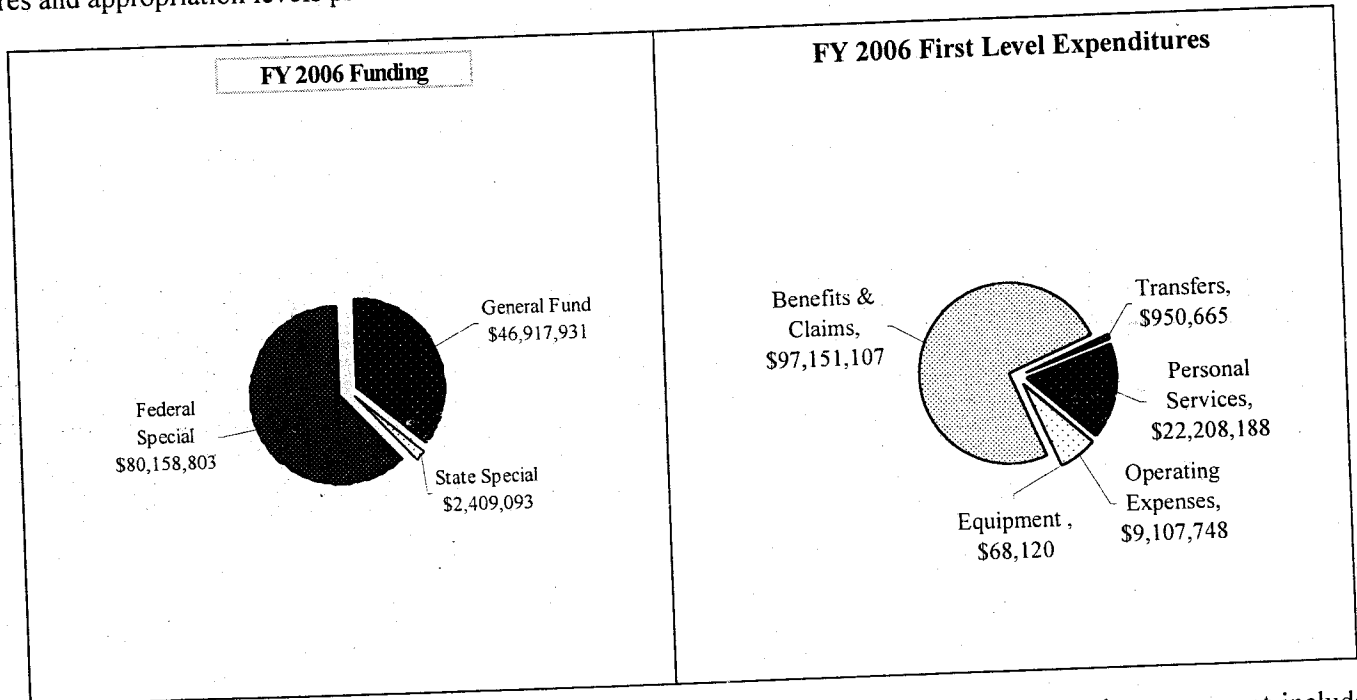
### HOW SERVICES ARE PROVIDED

The Disability Services Division is organized into five programs with the following functions:

1. Developmental Disabilities Program (DDP) – DDP serves individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatments similar to those required by someone with mental retardation. Services include community homes, supported living arrangements, respite, day programs, supported employment, transportation, adaptive equipment, nursing services, and family supports. DDP also contracts for a variety of children's services.
2. Montana Developmental Center (MDC) – Located in Boulder, MT, MDC provides for a healthy, safe, therapeutic environment to assist individuals with developmental disabilities prepare for community living. MDC also provides a safety net for those individuals who pose a danger to themselves or others.
3. Vocational Rehabilitation Program (VR) – VR serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities by providing a variety of employment outcome-related services, including counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, independent living services, medical services, job placement, supported employment, and extended employment.
4. Montana Telecommunications Access Program (MTAP) – Administratively located within the VR program, MTAP provides for the telecommunication needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled.
5. Disability Determination Services (DDS) – Administratively located within the VR program, DDS is responsible for medical adjudication of all claims for Social Security Disability Insurance and Supplemental Security Income.

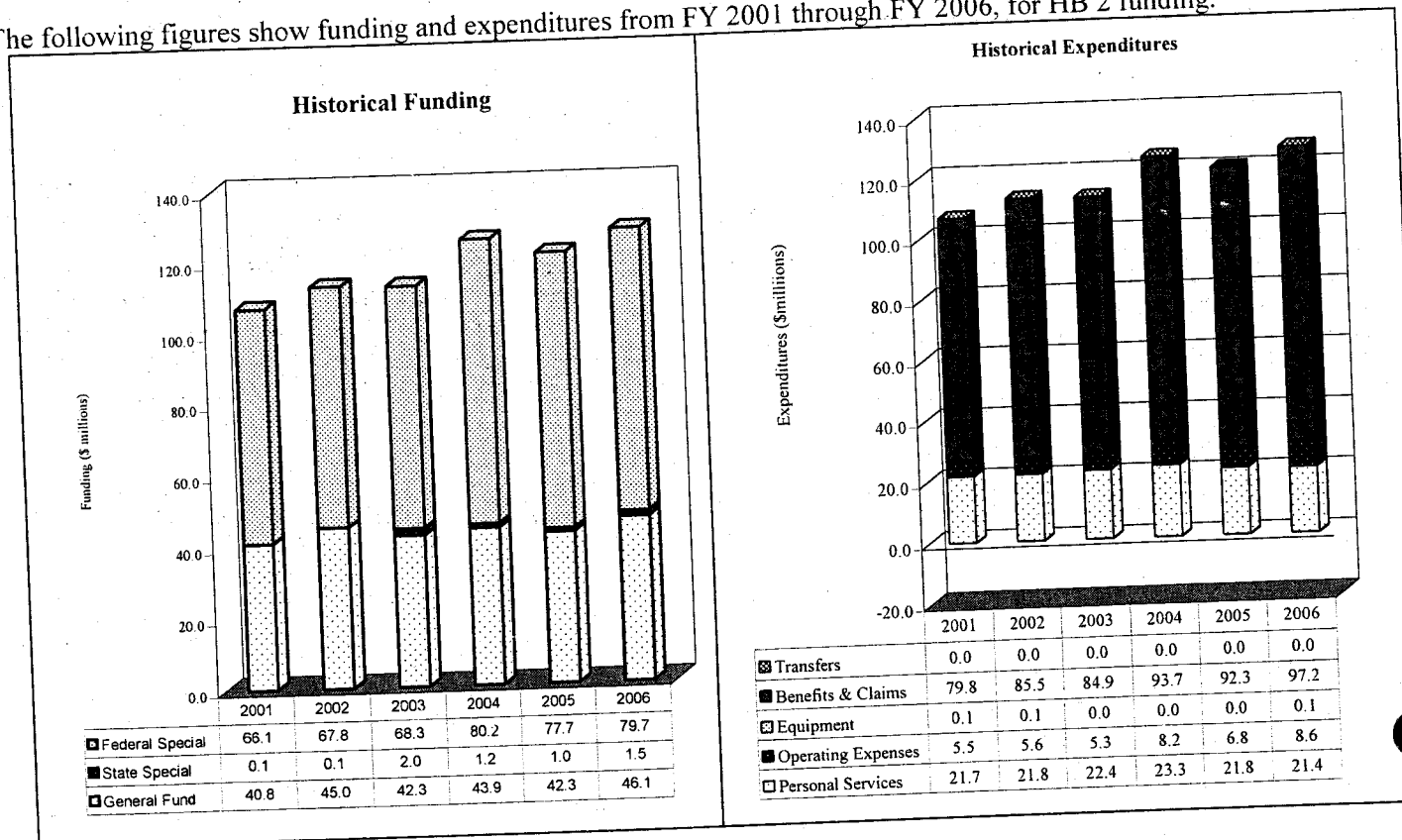
## Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Disability Services Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The general increase in expenditures from FY 2001 through FY 2006 resulted from:

- largely from Legislative client benefit appropriations for provider rates and expansion of services;
- largely from finishing refinancing groups of clients from general fund to Medicaid in the developmental disabilities program;
- the division taking on the Montana Telecommunications Access Program (formerly associated with the Director's Office) in FY 2004;
- a minor amount from operational increases (such as rent, utilities, and fixed costs); and
- a minor amount from pay plan increases.

The increased expenditures in FY 2004 resulted from:

- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the closure of Eastmont Human Services Center (the reduction at Eastmont was not equal and offsetting to the increase at MDC since more resources were required at MDC to accommodate the transition);
- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the creation of the Intermediate Care Facility for the Developmentally Disabled (ICF-DD), secure-care unit 104;

## **2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION**

### **Program Expansion**

The Disability Services Division implemented and expanded several programs with general fund, state special revenue, and federal funding in the 2007 biennium.

1. At the beginning of FY 2006, the developmental disabilities program used legislatively appropriated general fund, state special revenue tobacco tax funds (I-149), and federal Medicaid funds to successfully implement a provider rate increase directed towards raising direct care salaries and benefits to the 35<sup>th</sup> percentile (a standardized rate benchmark that is 15% less than the median, as compared to the same labor market in Montana and other similar states).
2. The 2005 Legislature appropriated general fund and federal Medicaid funding to reduce the developmental disabilities community services waiting list by fifteen individuals. The request was funded at the average cost plan amount for intensive individuals (intensive individuals not receiving services are usually the most in need and are usually the first selected through the screening process). As of December 2006, forty individuals have been moved off of the waiting list and screened into community services. More individuals were screened into services as compared to the original funding request since the actual average cost per individual was less than the projected average. The division prioritized this expansion state-wide and determined that some of the individuals most in need were able to receive services in less-costly settings. Even though funding was appropriated for both years of the biennium, the division purposefully waited until mid-FY2007 to implement this expansion. This was done to facilitate the movement of individuals from the Montana Developmental Center to community services and allow the closure of the total care unit ahead of the schedule agreed upon in the Travis D. lawsuit settlement. The timeline of this closure was moved up to relieve some of the budget pressures on the Montana Developmental Center.
3. The vocational rehabilitation (VR) program successfully implemented general fund authority from the 2005 Legislature to expand services in the VR extended employment (EE) program. At the time of the 2005 Session, this additional funding was projected to be sufficient to place half (70 people) of the individuals on the EE waiting list into services. In FY 2006 alone, the division has placed 68 individuals into EE services off the waiting list. The EE waiting list has grown considerably over the course of the 2007 biennium.

4. The 2005 Legislature appropriated general fund for a blind and low vision technology specialist, located within the VR program. The division filled this position in January of 2006, after waiting for the position to be classified and going through two advertising processes. This person has provided training to consumers, consulted with employers, and helped design low-vision work stations.
5. The 2005 Legislature appropriated \$180,000 general fund over the 2007 biennium for expansion of the early intervention (Part C) program within the Developmental Disabilities Program. Part C is an entitlement service, where the state receives a capped federal grant requiring the state to serve all eligible individuals and support the program with maintenance of effort. The division implemented this increase into provider contracts at the beginning of FY 2006 in a manner that provided a greater portion of the increased funding to regions that have experienced higher caseloads, allowing the providers to receive revenue for some of the costs absorbed by the caseload increases.
6. The 2005 Legislature appropriated funding for independent living to provide more services in eastern Montana. During FY 2006 alone, 33 new people received services with a plan; a travel training course was developed and is presented monthly; two people with disabilities were trained and are on Transportation Advisory Councils; and sub-offices were opened and services provided in Miles City and Ashland.
7. The 2005 Legislature funded the Montana Youth Leadership Forum for high school students with disabilities. In the summer of 2005, 14 high school students with disabilities attended a week-long forum on leadership training and disability issues, and in 2006, 16 students attended. After the forum, alumni were provided with other opportunities for leadership development. Five alumni were hired to serve as recruiters/ambassadors to help in the development and implementation of strategies to reach youth with disabilities. In addition, alumni made presentations at 15 events during 2006.

## FTE

The legislature approved a general fund appropriation for an additional 1.00 FTE in the 2007 Biennium for a blind and low vision technology specialist. The following figure shows the position and hire date for the new FTE.

2007 Biennium FTE Hire Dates	FTE	Date
Assistive Technology Specialist	1.00	01/19/2006

## CORRECTIVE ACTION PLANS

The Disability Services Division had three legislative audit recommendations, no federal audit recommendations, and no associated corrective action plans in place during the 2007 biennium. Auditors recommended that the department:

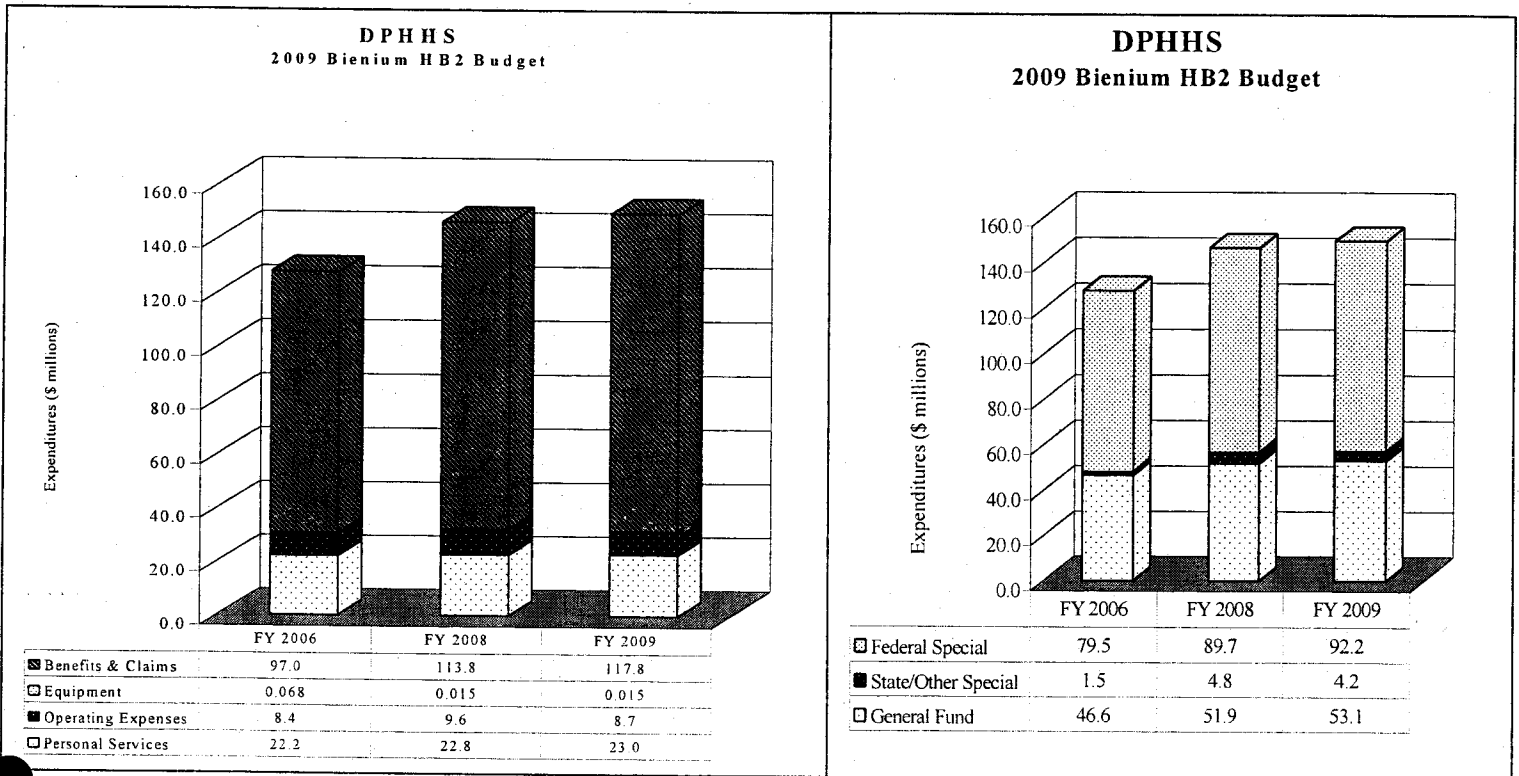
1. charge payroll costs to the proper federal grant year;
2. implement a procedure to review the Vocational Rehabilitation federal grant expenditures (RSA-2) report to ensure the correct expenditures are reported; and
3. communicate management's expectations regarding disability services provider invoice reviews to regional administrative assistants and quality improvement specialists.

The Disability Services Division has implemented the following components in response to the recommendations:

1. The department has strengthened the prevention and detection procedures to ensure all payroll costs are charged to the correct federal year.
2. The division has established a written procedure detailing the preparation and review of the RSA-2 report. Future reports will be prepared and reviewed by two separate employees prior to submission.
3. Division management has clarified its requirements for provider invoice reviews and has communicated its expectations to regional staff in writing.

## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



## Goals and Measurable Objectives

The following figure shows the Disability Services Division base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<b>Developmental Disabilities Program (DDP) Mission:</b> To support choices and opportunities for people with developmental disabilities in their communities.		
1. DDP - Allow individuals with developmental disabilities to be full participants in the planning of their services.	<ul style="list-style-type: none"> <li>By the end of the 2009 biennium, implement Personal Supports Planning (PSP) in all five DDP regions.</li> <li>By July 1, 2007, reduce DDP case management caseloads to an average of 35. (NP 10011 - Rate Rebasing. Pg B-137 in LFD analysis.)</li> </ul>	As of December 2006, <ul style="list-style-type: none"> <li>one out of the five DDP regions is trained in and starting to implement PSP;</li> <li>case management caseloads are at an average of 44.</li> </ul>

<p>2. DDP - Provide DDP community-based services to eligible Montanans with developmental disabilities in the most integrated setting as possible. *<u>Medicaid Objective</u>: Assure that the quality of care meets acceptable standards.</p>	<p>By the end of the 2009 biennium:</p> <ul style="list-style-type: none"> <li>• serve at least 4169 Montanans with developmental disabilities in DDP community-based services.</li> <li>• expand DDP community-based services by at least 50 individuals. (NP 10010 – DDP Wait List Reduction. Pg B-136)</li> <li>• By July 1, 2008, have an approved DDP HCBS waiver renewal by CMS.</li> </ul>	<p>At the beginning of state fiscal year 2007:</p> <ul style="list-style-type: none"> <li>• 4119 Montanans with developmental disabilities were in DDP community-based services.</li> <li>• 474 individuals were on the DDP community-based services waiting list.</li> <li>• CMS is currently reviewing the DDP HCBS waiver status.</li> </ul>
<p>3. DDP - Implement a fair and equitable methodology (transparent rate system) for reimbursement of DDP services. *<u>Medicaid Objective</u>: Assure that services are provided in the most cost effective manner. *<u>Medicaid Objective</u>: Assure that prompt and accurate payments are made to providers.</p>	<p>By the end of the 2009 biennium, implement all five DDP regions in the rate system.</p> <ul style="list-style-type: none"> <li>• By July 1, 2007, implement a minimum wage for DDP direct care employees of at least \$8.00 per hour and increase the average base direct care wage component to \$9.07 per hour. Other components of the standardized rate (employee benefits, program related, and administrative) are percentage factors of the direct care component. (NP 10011 – Rate Rebasing. Pg B-137)</li> <li>• By the end of FY 2008, rewrite the division's contracting, provider payment, and client tracking system to accommodate new business practices.</li> </ul>	<p>In fiscal year 2007, three of the five DDP regions are in the rate system (approx half of the adult clients). Fiscal year 2006 data shows that:</p> <ul style="list-style-type: none"> <li>• There is currently no minimum wage required through provider contracts. The current average base direct care wage component is at \$8.56 per hour.</li> </ul>
<p>4 DDP – To improve the quality of supports to individuals in services through standardized statewide training of direct care employees.</p>	<ul style="list-style-type: none"> <li>• By July 1, 2007, allow funding in the rates for standardized training (3 days College of Direct Supports) for DDP provider-based direct care employees.</li> <li>• By the end of the 2009 biennium, reduce turnover and vacancy rates of DDP provider-based direct care employees. (NP 10011 – Rate Rebasing. Pg B-137)</li> </ul>	<ul style="list-style-type: none"> <li>• As of July 1, 2006, the standardized rate compensates for 2 days of training per direct care employee.</li> <li>• DDP is currently gathering data on turnover and vacancy rates to establish a baseline.</li> </ul>
<p><u>Montana Developmental Center (MDC) Mission</u>: To improve, preserve, strengthen, and protect the health, well-being, and self-reliance of all individuals served, in an environment that respects and develops those individuals charged with providing services.</p>		
<p>5. Montana Developmental Center (MDC)- Continue to move individuals from MDC to community-based services.</p>	<p>Move all individuals from the total care unit (unit 16AB) to community-based services and close the unit before December 2007, as per the Travis D lawsuit. (PL 10003 – Annualization of Community Service Cost Plans. Pg B-132)</p>	<p>As of January 2007, five of the original 18 individuals remain on unit 16AB.</p>
<p>6. MDC - Maintain Medicaid and ICFDD (Intermediate Care Facility for the Developmentally Disabled) certification. *<u>Medicaid Objective</u>: Assure that the quality of care meets acceptable standards.</p>	<p>Successfully complete annual reviews from state licensing and the federal government (i.e. review of all policies, health and safety, behavioral treatment, staff qualifications, etc.) (PL 10004 – MDC Base Adjustments. Pg B-133)</p>	<p>Both units are currently licensed with no outstanding deficiencies.</p>
<p><u>Vocational Rehabilitation (VR) Program Mission</u>: Promoting work and independence for Montanans with disabilities.</p>		
<p>7. VR - To meet or exceed all standards and indicators as determined by the federal department of education.</p>	<p>1.1 Number of individuals employed Federal requirement: at least as many as in the previous year</p>	<p>2006 - 909 individuals became employed. Montana VR met the standard.</p>

8. VR - meet or exceed all standards and indicators	1.2 Percent employed—percentage of individuals employed compared to all people who had plans written and were closed ("Rehab Rate") Federal requirement: at least 55.8%	2006 - The rehabilitation rate was 57.5%. Montana VR met the standard.
9. VR - meet or exceed all standards and indicators	1.3 Employed competitively—percentage of individuals employed who are getting at least minimum wage Federal requirement: at least 72.6%	2006 - 97.5% of individuals employed earned at least minimum wage. Montana VR met the standard.
10. VR - meet or exceed all standards and indicators	1.4 Significant disability—percentage of individuals employed who are earning at least minimum wage who are significantly disabled Federal requirement: at least 62.4%	2006 - 81.7% of individuals employed earning at least minimum wage were significantly disabled. Montana VR met the standard.
11. VR - meet or exceed all standards and indicators	1.5 Earnings ratio—average hourly rate of individuals employed who are earning at least minimum wage divided by the state's average hourly earnings for all employed people Federal requirement: at least .52	2006 - 0.75 is the calculated ratio. Montana VR met the standard.
12. VR - meet or exceed all standards and indicators	1.6 Self supporting—looking at all individuals employed who are earning at least minimum wage, this item is the difference between the percent of people who reported their own income as their largest source of support at closure and at application Federal requirement: at least 53.0	2006 - 55.2 is Montana's calculation. Montana VR met the standard.
13. VR - meet or exceed all standards and indicators	2 Equal access/Minority ratio—service rate for minorities as a ratio to the service rate for non-minorities. The service rate is defined as the number of people who exited the VR program after receiving services divided by the total number of people exiting the program. Federal requirement: at least .80	2006 - 0.87 is Montana's ratio. Montana VR met the standard.
14. VR - To help students with disabilities transition from school to work.	Recruit 20 high school students with disabilities to complete the Montana Youth Leadership Forum (MYLF) week-long training program in each year of the 2009 biennium. Each student will complete a vocational and leadership plan. For each student that completes the training, MYLF will provide one-year of resources and supports that will assist students in reaching their vocational and leadership goals. (DP 10009 - MYLF. Pg B-136)	In FY 2006, MYLF recruited 22 students to attend the week-long training. 16 students completed the training.
<u>Montana Telecommunications Access Program (MTAP) Mission:</u> To improve the quality of life for all Montanans through education, innovation, and technology by enhancing communication options.		
15. MTAP - Assure access to traditional relay, captioned telephone relay, video relay, and internet protocol relay services. Distribute telephone equipment to Montanans with disabilities who qualify for this program.	<ul style="list-style-type: none"> <li>• Provide 493,925 relay minutes in fiscal year 2008 and 506,156 relay minutes in fiscal year 2009.</li> <li>• Distribute 797 pieces of equipment in fiscal year 2008 and an additional 824 pieces of equipment in fiscal year 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• In SFY 2006, provided 531,264 relay minutes.</li> <li>• In SFY 2006, distributed 744 pieces of equipment.</li> </ul>
<u>Disability Determination Services (DDS) Mission:</u> To adjudicate Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims in a timely, cost efficient, accurate, and respectful manner.		
16. DDS - Meet the national standards for accuracy, quality, processing time, production per work year and pending caseloads.	<ul style="list-style-type: none"> <li>• Adjudicate 7,500 initial claims for disability benefits in federal fiscal year 2008 and 8,000 initials claims in federal fiscal year 2009.</li> <li>• Ending year goal of 1440 initial claims pending.</li> <li>• 93 days processing time</li> </ul> (DP 10007 - DDS Base Adjustments. Pg B-134)	In federal fiscal year 2006: <ul style="list-style-type: none"> <li>• Adjudicated 6,800 initial claims</li> <li>• 1647 initial claims pending at year-end</li> <li>• 93 days processing time</li> <li>• Completed the transition to the electronic process</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

### Significant Budget Requests:

- NP 10011 - DD Rate Rebasing. (Pg B-137 of the LFD Analysis.) Rebase standardized rates for Developmental Disabilities Program community-based services. (see goal # 1, 3, and 4 on page 6)
- NP 10010 - DD Wait List Reduction. (Pg B-136) Expand Developmental Disabilities Program community-based services by at least 50 individuals in FY 2008 and an additional 25 in FY 2009. (see goal # 2)
- PL 10003 - Annualization of Community Services Cost Plans. (Pg B-132) Reduce the population at the Montana Developmental Center and close the total-care unit. Support cost plans for these individuals in community-based services. (see goal # 5)
- NP 10018 - MTAP new technologies. (Pg B-138) Continue to provide access to telecommunications for individuals that are deaf or hard of hearing, for services such as video relay and internet protocol. (see goal # 15)

### Other Budget Requests:

- PL 10001 - Adjust I-149 Funding. (Pg B-131) Adjusts base year expenditure levels to FY 2007 ongoing levels for I-149 funding.
- PL 10002 - FMAP Adjustment. (Pg B-132) Increases general fund with an equal and offsetting reduction in federal Medicaid funds to account for the decreasing change in the Federal Medical Assistance Percentage (FMAP).
- PL 10004 - MDC Base Adjustments. (Pg B-133) Re-establishes funding at the Montana Developmental Center (MDC) for zero-based personal services costs, such as overtime, holiday, and differential pay. MDC is a 24-7 facility. (see goal # 6)
- PL 10005 - DSD Rent for non-state facilities. (Pg B-134) This funding request is for rent increases for offices in non-Department of Administration buildings for the Developmental Disabilities and Vocational Rehabilitation programs. The increases are built into the lease agreements for field offices.
- PL 10007 - Disability Determination Services Base Adjustment. (Pg B-134) This decision package requests an increase of \$395,762 in federal funds over the biennium for Disability Determination Services workload increase.
- PL 10008 - VR Tuition Increases. (Pg B-135) This decision package requests \$100,596 of general fund and \$371,683 of federal funds over the biennium to provide for a 5% tuition increase each year from FY 2007 through FY 2009 for non state schools only, and no increase for state schools. The funds, which are a portion of the Vocational Rehabilitation benefits, will offset increases in tuition costs and maintain current level services that assist individuals with disabilities in returning to work. (see goal # 11 and 12)
- PL 10020 - Health Services Accounts. (Pg B-135) SB 433 of the 2005 Session appropriated \$16,000 state special revenue to DSD for a Medicaid pilot program to create waiver services accounts for individuals with developmental disabilities. The pilot program did not start until the second year of the 2007 biennium. This request adds the authority back into the division's budget. (see goal # 1)
- NP 10009 - Montana Youth Leadership Forum (MYLF). (Pg B-136) This decision package is a request to support the Montana Youth Leadership Forum (MYLF) for disabled youth, including Indian students on Montana reservations. It is a request for \$100,000 in general funds over the biennium. (see goal # 14)
- NP 10016 - DD Crisis Funding - Restores OTO. (Pg B-138) The Travis D settlement calls for \$200,000 of general fund, continuous crisis funding. \$80,000 of this amount is in the division's base budget. This decision package requests \$120,000 general fund per year over the biennium, which the 2005 Legislature previously provided as one-time-only funding. (see goal # 2 and 5)
- NP 10021 - Developmental Disabilities Program - Fed Authority. (Pg B-139) This request is for \$2 million of additional federal authority for the biennium to provide the appropriation authority for increases in federal grants or maximize general funds under the Home and Community Based Waiver.
- NP 10026 - VR Transition Counselor. (Pg B-139) This decision package is a request for 1.00 FTE, vocational rehabilitation counselor to be located in a local school district who will assist in identifying students and coordinating available services. This request is part of the initiative to Improve Outcomes for Young Adults with Disabilities. This is a budget request for \$107,167 general fund over the biennium. (see goal # 7)
- NP 10501 - Provider Rate Increases. (Pg B-139) This decision package requests increases for provider rates by 2.5% for the biennium. This excludes rates for Developmental Disability Program services as funding for those services is requested in NP 10011 - DD Rate Rebasing.



## SIGNIFICANT ISSUES EXPANDED

### NP 10011 - DD Rate Rebasing.

This request is for \$18 million total funds, \$3.4 million general fund and \$3.9 million in state special revenue funds over the biennium to support the rebasing of the developmental disability program provider rates.

- During SFY 2006 and SFY 2007 the DD Program implemented the rate system in regions 1, 2, & 3 (Eastern Montana). That experience, and a comprehensive influx of provider cost information, leads DDP to request additional funding for SFY 2008 and 2009 to further increase the base wage rate portion of the standardized rate.
- As of July 1, 2007, contractors who provide Day, Group Home, and Supported Living services to adults will see the standardized base wage rate increase from \$8.56 per hour to \$9.07 per hour within the base geographic areas. This represents an increase of \$5,965,780 in SFY 2008 and an increase of \$5,965,780 in SFY 2009. (Increases are not compounded on top of each other.) With this funding, DDP will implement a minimum wage of at least \$8.00 per hour for DDP provider-based direct care staff.
- The DDP contractors who provide early intervention (Part C) and general fund Family Education and Support Services (FESS) will see an increase of \$253,705 in SFY 2008 and \$320,542 in SFY 2009, as compared to base-year amounts. This will serve an additional 42 children with disabilities in FY 2008 and 53 in FY 2009 as compared to FY 2006 service levels. Part C is an entitled program. DDP is requesting adequate funding to maintain growth of the program.
- The DDP contractors who provide Case Management (CM) services to adults will see an increase of \$1,966,349 in SFY 2008 and \$1,966,349 in SFY 2009, not compounded. The base wage component will increase from \$12.75 per hour to \$15.096 per hour based on actual wage data provided by the CM contractors. The Employee Related Expenses (ERE) were increased to the standard percent in the adult services rate system. The major factor increasing this cost was a reduction in the CM average caseload from about 45 cases per case manager to an average of 35 cases per case manager. The monthly unit rate increases from \$111.26 to \$167.72. The increased rate will fund 12 additional contracted case managers. The increased responsibilities of case managers, with the development of individual cost plans and personal support plans (both directed by CMS and the Travis D lawsuit settlement), has resulted in an overload of case management duties. Case managers perform a critical role in the delivery of DD community services. This funding helps DDP to realize the goal of community integration for individuals with DD.
- This rebasing package funds the cost of the College of Direct Supports tuition and paid time for direct care employees' on-line certification for a total cost of \$351,129 each year. It is DDP's goal to provide quality services and have better retention of direct care workers. The possibility of reaching these goals is enhanced by the standardized training enabled by this funding.

### NP 10010 - DD Wait List Reduction.

This request is for \$11.4 million total funds, \$4 million general fund over the biennium to support community services for individuals currently on the developmental disability community services waiting list and for other individuals expected to need services in the next biennium.

- There are approximately 500 individuals on the waiting list for DD community services that are currently receiving no services. The DSD requests \$4.4 million (\$1.4 million general fund) over the biennium to move approximately 25 individuals with no services off the waiting list and into community services in the next biennium.
- There are other individuals that are on a waiting list for more services, as they will be transitioning out of their current services (i.e. children aging out of intensive Medicaid waiver services and kids with developmental disabilities aging out of foster care services, such as from Brownschool Texas Neuro or Intermountain Children's Home). The program requests funding of \$6.2 million (\$2.0 million general fund) over the biennium to support adult cost plans for approximately an additional 25 individuals who will transition to DDP services each year in the next biennium.
- More individuals in services would also require resources to accommodate the growth. DSD requests funding for additional contracted case managers each year; \$0.25 million (\$81,000 general fund) over the biennium. DSD also requests \$0.2 million general fund for the biennium for grants to providers, either existing or new providers, for start up costs associated with either system expansion or with transitions from institutional to community services. Additionally, DSD requests \$392,800 in general funds to provide opportunities to pilot projects

identified by the transition task force team and Transition Solutions, which will enable state agencies and other groups to work together improving outcomes for youth transitioning from school to young adulthood.

### **PL 10003 - Annualization of Community Services Cost Plans.**

This request is for \$4.7 million total funds, \$1.4 million general fund over the biennium to support annualized cost plans for individuals already in developmental disability community services.

- The Developmental Disabilities Program (DDP) has moved 13 individuals from the Montana Developmental Center (MDC) unit 16AB into community services by December 2006, and expects to remove all remaining individuals by March of 2007. MDC will then close the unit. There are no expenditures in the base year FY 2006 in the DDP budget to support these ongoing community-based cost plans. Also, unit 16AB HB2 positions were transferred to modified positions before the snapshot, so the personal services funding doesn't appear in MDC in FY 2008 and FY 2009 to be able to transfer to community services. This request funds the annualized community service cost plans for these unit 16AB individuals. Including the reduction already present in the adjusted base for MDC, this portion of the decision package has a positive impact to the general fund balance of almost \$550,000 over the biennium.
- Wait-list funds from the 2005 Session are being used to take individuals off the waiting list and place them into community service settings in FY 2006 and FY 2007. DDP did not spend all of the FY 2006 funds in the base year, due to the inability to sustain both wait-list and 16AB individuals' community service cost plans through FY 2007. This request is for \$1.1 million in all funds, \$270,000 general fund over the biennium to support the remainder of the wait-list individuals' annualized cost plans.

### **NP 10018 - MTAP new technologies.**

DSD requests \$1,065,000 state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

- At this time, the known new technologies are Video Relay Service (VRS) and Internet Protocol Relay (IP Relay). VRS facilitates phone calls between an individual who uses sign language and a hearing individual that knows sign language at all. Using the Internet, video of the sign language user is transmitted to a sign interpreter, who then voices the call aloud for the hearing party. Internet Protocol Relay (IP Relay) also uses the internet, but in this case text is transmitted rather than video. Individuals who are Deaf use a computer connected to the internet to send text to an operator who will then speak that message aloud for the hearing party to the call.
- These new technologies are the latest developments in telecommunications for individuals who are Deaf. The federal government currently funds them, but the states will be required to assume this service at some point in the future.
- These services come closer than anything before to providing functional equivalence between telecommunications for individuals who are Deaf and telecommunications for those who hear. Providing such functional equivalence is a fundamental goal of the Americans with Disabilities Act, and one of the fundamental purposes of MTAP.
- This EPP proposal requests a restricted appropriation using MTAP's state special revenue account fund balance. This appropriation would be a contingency, accessed only if the FCC ruled that the states would now be required to pay for VRS and IP Relay. The requested amount for this appropriation, if accessed, would leave a projected fund balance at the end of SFY 2009 of approximately \$200,000.

## DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

### Disability Services Division, Developmental Disabilities Program

#### DEVELOPMENTAL DISABILITIES PROGRAM CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Program Director	Jeff Sturm	444-2695	jesturm@mt.gov
Division Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

#### WHAT THE DEVELOPMENTAL DISABILITIES PROGRAM DOES

The DDP is organized into a central office and five regional offices with four satellite offices.

- The Central Office provides statewide management and supervision, program fiscal operations and budgeting, policy direction, quality assurance, provider payment processing, and federal reporting functions.
- 5 regional and 4 satellite offices across the State oversee 54 service provider agencies that provide services to over 4,000 individuals. The Regional staff performs billing and invoicing, quality assurance monitoring, and case management functions.

#### Statutory Authority For the Developmental Disabilities Program

Statutory authority for the division comes from: 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796 et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CFR Part 303.

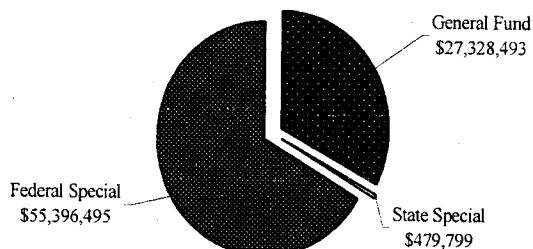
#### HOW DEVELOPMENTAL DISABILITIES PROGRAM SERVICES ARE PROVIDED

The Developmental Disabilities Program contracts with private corporations (for-profit and non-profit) to provide comprehensive services to individuals with developmental disabilities, ages birth and up. These service programs are located in communities throughout Montana and provide an array of residential and work opportunities for adults and home-based family education and support services for children and their families, based upon individual preferences, needs, and abilities. Currently, over 4,000 people receive one or more community-based services funded through the Developmental Disabilities Program.

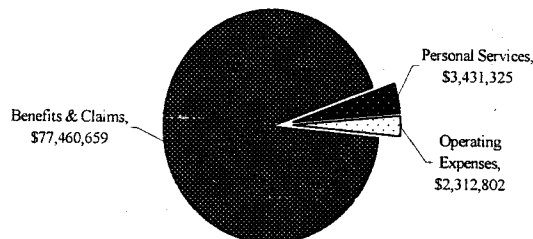
#### Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Developmental Disabilities Program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

FY 2006 Funding

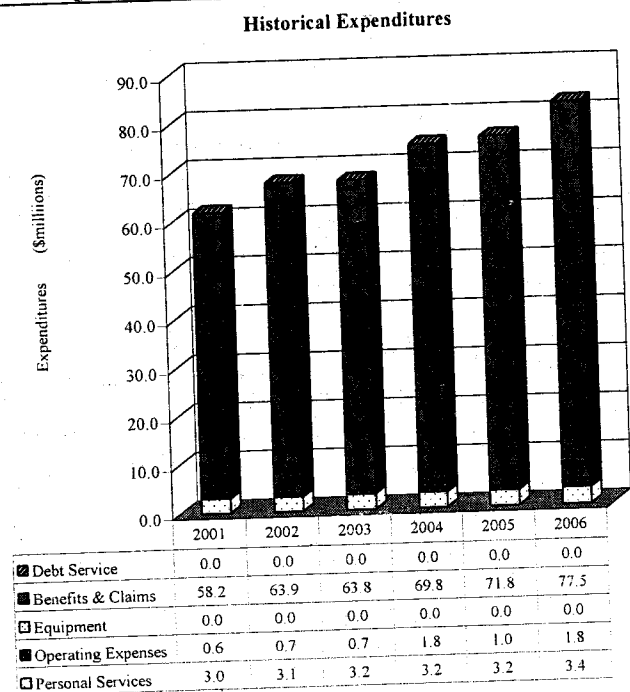
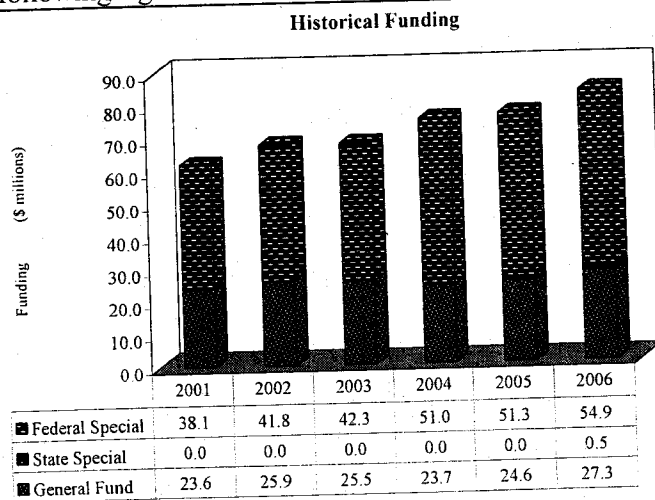


FY 2006 First Level Expenditures



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The general increase in expenditures from FY 2001 through FY 2006 resulted from:

- largely from Legislative client benefit appropriations for provider rates and expansion of services;
- largely from finishing refinancing groups of clients from general fund to Medicaid in the developmental disabilities program;
- minor amount from operational increases (such as rent, utilities, and fixed costs);
- minor amount from pay plan increases.

## 2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

### Program Expansion

The Developmental Disabilities Program implemented and expanded several programs with general fund, state special revenue, and federal funding in the 2007 biennium.

1. At the beginning of FY 2006, the developmental disabilities program used legislatively appropriated general fund, state special revenue tobacco tax funds (I-149), and federal Medicaid funds to successfully implement a provider rate increase directed towards raising direct care salaries and benefits to the 35<sup>th</sup> percentile (a standardized rate benchmark that is 15% less than the median, as compared to the same labor market in Montana and other similar states).
2. The 2005 Legislature appropriated general fund and federal Medicaid funding to reduce the developmental disabilities community services waiting list by fifteen individuals. The request was funded at the average cost plan amount for intensive individuals (intensive individuals not receiving services are usually the most in need and are usually the first selected through the screening process). As of December 2006, forty individuals have been moved off of the waiting list and screened into community services. More individuals were screened into services as compared to the original funding request since the actual average cost per individual was less than projected average. The division prioritized this expansion state-wide and determined that some of the individuals most in need were able to receive services in less-costly settings. Even though funding was appropriated for both years of the biennium, the division purposefully waited until mid-FY2007 to implement this expansion. This was done to facilitate the movement of individuals from the Montana Developmental Center to community services.

and allow the closure of the total care unit ahead of the schedule agreed upon in the Travis D. lawsuit settlement. The timeline of this closure was moved up to relieve some of the budget pressures on the Montana Developmental Center.

- The 2005 Legislature appropriated \$180,000 general fund over the 2007 biennium for expansion of the early intervention (Part C) program within the Developmental Disabilities Program. Part C is an entitlement service, where the state receives a capped federal grant requiring the state to serve all eligible individuals and support the program with maintenance of effort. The division implemented this increase into provider contracts at the beginning of FY 2006 in a manner that provided a greater portion of the increased funding to regions that have experienced higher caseloads, allowing the providers to receive revenue for some of the costs absorbed by the caseload increases.

## FTE

No new FTE were approved for Developmental Disabilities Program during the 2007 Biennium.

## CORRECTIVE ACTION PLANS

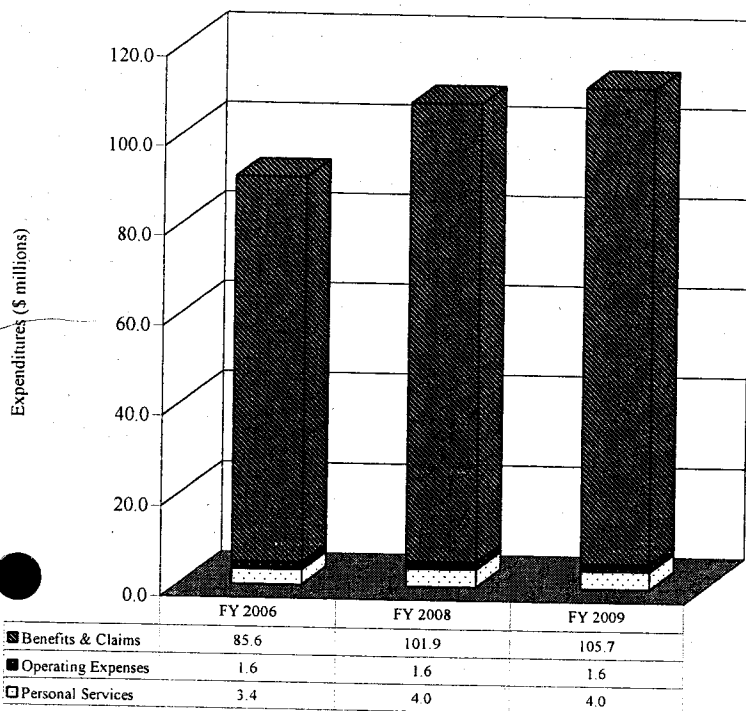
The Developmental Disabilities Program had one legislative audit recommendation, no federal audit recommendations, and no associated corrective action plans in place during the 2007 biennium. Auditors recommended that the department: communicate management's expectations regarding disability services provider invoice reviews to regional administrative assistants and quality improvement specialists.

The Disability Services Division has implemented the following components in response to the recommendations: Division management has clarified its requirements for provider invoice reviews and communicated their expectations to regional staff in writing.

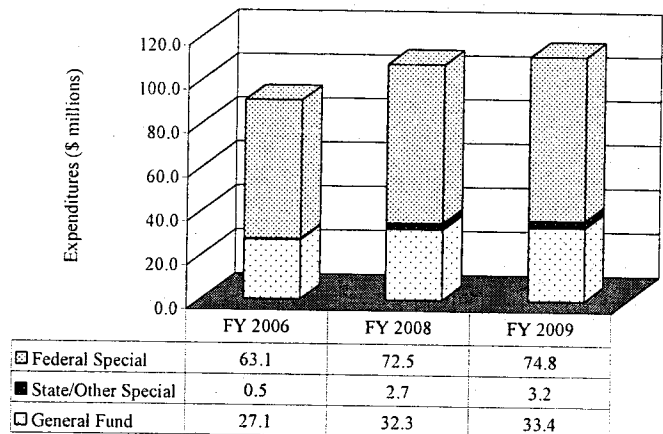
## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS  
2009 Biennium HB2 Budget



DPHHS  
2009 Biennium HB2 Budget



## Goals and Measurable Objectives

The following figure shows the Disability Services Division base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<b>Developmental Disabilities Program (DDP)</b> <b>Mission:</b> To support choices and opportunities for people with developmental disabilities in their communities.		
1. DDP - Allow individuals with developmental disabilities to be full participants in the planning of their services.	<ul style="list-style-type: none"> <li>By the end of the 2009 biennium, implement Personal Supports Planning (PSP) in all five DDP regions.</li> <li>By July 1, 2007, reduce DDP case management caseloads to an average of 35. (NP 10011 - Rate Rebasing. Pg B-137 in LFD analysis.)</li> </ul>	As of December 2006, <ul style="list-style-type: none"> <li>one out of the five DDP regions is trained in and starting to implement PSP;</li> <li>case management caseloads are at an average of 44.</li> </ul>
2. DDP - Provide DDP community-based services to eligible Montanans with developmental disabilities in the most integrated setting as possible. <b>*Medicaid Objective:</b> Assure that the quality of care meets acceptable standards.	By the end of the 2009 biennium: <ul style="list-style-type: none"> <li>serve at least 4169 Montanans with developmental disabilities in DDP community-based services.</li> <li>expand DDP community-based services by at least 50 individuals. (NP 10010 - DDP Wait List Reduction. Pg B-136)</li> <li>By July 1, 2008, have an approved DDP HCBS waiver renewal by CMS.</li> </ul>	At the beginning of state fiscal year 2007: <ul style="list-style-type: none"> <li>4119 Montanans with developmental disabilities were in DDP community-based services.</li> <li>474 individuals were on the DDP community-based services waiting list.</li> <li>CMS is currently reviewing the DDP HCBS waiver status.</li> </ul>
3. DDP - Implement a fair and equitable methodology (transparent rate system) for reimbursement of DDP services. <b>*Medicaid Objective:</b> Assure that services are provided in the most cost effective manner. <b>*Medicaid Objective:</b> Assure that prompt and accurate payments are made to providers.	By the end of the 2009 biennium, implement all five DDP regions in the rate system. <ul style="list-style-type: none"> <li>By July 1, 2007, implement a minimum wage for DDP direct care employees of at least \$8.00 per hour and increase the average base direct care wage component to \$9.07 per hour. Other components of the standardized rate (employee benefits, program related, and administrative) are percentage factors of the direct care component. (NP 10011 - Rate Rebasing. Pg B-137)</li> <li>By the end of FY 2008, rewrite the division's contracting, provider payment, and client tracking system to accommodate new business practices.</li> </ul>	In fiscal year 2007, three of the five DDP regions are in the rate system (approx half of the adult clients). Fiscal year 2006 data shows that: <ul style="list-style-type: none"> <li>There is currently no minimum wage required through provider contracts. The current average base direct care wage component is at \$8.56 per hour.</li> </ul>
4. DDP - To improve the quality of supports to individuals in services through standardized statewide training of direct care employees.	<ul style="list-style-type: none"> <li>By July 1, 2007, allow funding in the rates for standardized training (3 days College of Direct Supports) for DDP provider-based direct care employees.</li> <li>By the end of the 2009 biennium, reduce turnover and vacancy rates of DDP provider-based direct care employees. (NP 10011 - Rate Rebasing. Pg B-137)</li> </ul>	<ul style="list-style-type: none"> <li>As of July 1, 2006, the standardized rate compensates for 2 days of training per direct care employee.</li> <li>DDP is currently gathering data on turnover and vacancy rates to establish a baseline.</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

### Significant Budget Requests:

- ❑ NP 10011 - DD Rate Rebasng. (Pg B-137 of the LFD Analysis.) Rebase standardized rates for Developmental Disabilities Program community-based services. (see goal # 1, 3, and 4 on page 6)
- ❑ NP 10010 - DD Wait List Reduction. (Pg B-136) Expand Developmental Disabilities Program community-based services by at least 50 individuals in FY 2008 and an additional 25 in FY 2009. (see goal # 2)
- ❑ PL 10003 - Annualization of Community Services Cost Plans. (Pg B-132) Reduce the population at the Montana Developmental Center and close the total-care unit. Support cost plans for these individuals in community-based services. (see goal # 5)

### Other Budget Requests:

- ❑ PL 10001 - Adjust I-149 Funding. (Pg B-131) Adjusts base year expenditure levels to FY 2007 ongoing levels for I-149 funding.
- ❑ PL 10002 - FMAP Adjustment. (Pg B-132) Increases general fund with an equal and offsetting reduction in federal Medicaid funds to account for the decreasing change in the Federal Medical Assistance Percentage (FMAP).
- ❑ PL 10005 - DSD Rent for non-state facilities. (Pg B-134) This funding request is for rent increases for offices in non-Department of Administration buildings for the Developmental Disabilities and Vocational Rehabilitation programs. The increases are built into the lease agreements for field offices.
- ❑ PL 10020 - Health Services Accounts. (Pg B-135) SB 433 of the 2005 Session appropriated \$16,000 state special revenue to DSD for a Medicaid pilot program to create waiver services accounts for individuals with developmental disabilities. The pilot program did not start until the second year of the 2007 biennium. This request adds the authority back into the division's budget. (see goal # 1)
- ❑ NP 10016 - DD Crisis Funding - Restores OTO. (Pg B-138) The Travis D settlement calls for \$200,000 of general fund, continuous crisis funding. \$80,000 of this amount is in the division's base budget. This decision package requests \$120,000 general fund per year over the biennium, which the 2005 Legislature previously provided as one-time-only funding. (see goal # 2 and 5)
- ❑ NP 10021 - Developmental Disabilities Program - Fed Authority. (Pg B-139) This request is for \$2 million of additional federal authority for the biennium to provide the appropriation authority for increases in federal grants or maximize general funds under the Home and Community Based Waiver.

## SIGNIFICANT ISSUES EXPANDED

### NP 10011 - DD Rate Rebasng.

This request is for \$18 million total funds, \$3.4 million general fund and \$3.9 million in state special revenue funds over the biennium to support the rebasing of the developmental disability program provider rates.

- During SFY 2006 and SFY 2007 the DD Program implemented the rate system in regions 1, 2, & 3 (Eastern Montana). That experience, and a comprehensive influx of provider cost information, leads DDP to request additional funding for SFY 2008 and 2009 to further increase the base wage rate portion of the standardized rate.
- As of July 1, 2007, contractors who provide Day, Group Home, and Supported Living services to adults will see the standardized base wage rate increase from \$8.56 per hour to \$9.07 per hour within the base geographic areas. This represents an increase of \$5,965,780 in SFY 2008 and an increase of \$5,965,780 in SFY 2009. (Increases are not compounded on top of each other.) With this funding, DDP will implement a minimum wage of at least \$8.00 per hour for DDP provider-based direct care staff.
- The DDP contractors who provide early intervention (Part C) and general fund Family Education and Support Services (FESS) will see an increase of \$253,705 in SFY 2008 and \$320,542 in SFY 2009, as compared to base-year amounts. This will serve an additional 42 children with disabilities in FY 2008 and 53 in FY 2009 as compared to FY 2006 service levels. Part C is an entitled program. DDP is requesting adequate funding to maintain growth of the program.
- The DDP contractors who provide Case Management (CM) services to adults will see an increase of \$1,966,349 in SFY 2008 and \$1,966,349 in SFY 2009, not compounded. The base wage component will increased from \$12.75 per hour to \$15.096 per hour based on actual wage data provided by the CM contractors. The Employee Related Expenses (ERE) were increased to the standard percent in the adult services rate system. The major factor increasing this cost was a reduction in the CM average caseload from about 45 cases per case manager to an

average of 35 cases per case manager. The monthly unit rate increases from \$111.26 to \$167.72. The increased rate will fund 12 additional contracted case managers. The increased responsibilities of case managers, with the development of individual cost plans and personal support plans (both directed by CMS and the Travis D lawsuit settlement), has resulted in an overload of case management duties. Case managers perform a critical role in the delivery of DD community services. This funding helps DDP to realize the goal of community integration for individuals with DD.

- This rebasing package funds the cost of the College of Direct Supports tuition and paid time for direct care employees' on-line certification for a total cost of \$351,129 each year. It is DDP's goal to provide quality services and have better retention of direct care workers. The possibility of reaching these goals is enhanced by the standardized training enabled by this funding.

#### **NP 10010 - DD Wait List Reduction.**

This request is for \$11.4 million total funds, \$4 million general fund over the biennium to support community services for individuals currently on the developmental disability community services waiting list and for other individuals expected to need services in the next biennium.

- There are approximately 500 individuals on the waiting list for DD community services that are currently receiving no services. The DSD requests \$4.4 million (\$1.4 million general fund) over the biennium to move approximately 25 individuals with no services off the waiting list and into community services in the next biennium.
- There are other individuals that are on a waiting list for more services, as they will be transitioning out of their current services (i.e. children aging out of intensive Medicaid waiver services and kids with developmental disabilities aging out of foster care services, such as from Brownschool Texas Neuro or Intermountain Children's Home). The program requests funding of \$6.2 million (\$2.0 million general fund) over the biennium to support adult cost plans for approximately an additional 25 individuals who will transition to DDP services each year in the next biennium.
- More individuals in services would also require resources to accommodate the growth. DSD requests funding for additional contracted case managers each year; \$0.25 million (\$81,000 general fund) over the biennium. DSD also requests \$0.2 million general fund for the biennium for grants to providers, either existing or new providers for start up costs associated with either system expansion or with transitions from institutional to community services. Additionally, DSD requests \$392,800 in general funds to provide opportunities to pilot projects identified by the transition task force team and Transition Solutions, which will enable state agencies and other groups to work together improving outcomes for youth transitioning from school to young adulthood.

#### **PL 10003 - Annualization of Community Services Cost Plans.**

This request is for \$4.7 million total funds, \$1.4 million general fund over the biennium to support annualized cost plans for individuals already in developmental disability community services.

- The Developmental Disabilities Program (DDP) has moved 13 individuals from the Montana Developmental Center (MDC) unit 16AB into community services by December 2006, and expects to remove all remaining individuals by March of 2007. MDC will then close the unit. There are no expenditures in the base year FY 2006 in the DDP budget to support these ongoing community-based cost plans. Also, unit 16AB HB2 positions were transferred to modified positions before the snapshot, so the personal services funding doesn't appear in MDC in FY 2008 and FY 2009 to be able to transfer to community services. This request funds the annualized community service cost plans for these unit 16AB individuals. Including the reduction already present in the adjusted base for MDC, this portion of the decision package has a positive impact to the general fund balance of almost \$550,000 over the biennium.
- Wait-list funds from the 2005 Session are being used to take individuals off the waiting list and place them into community service settings in FY 2006 and FY 2007. DDP did not spend all of the FY 2006 funds in the base year, due to the inability to sustain both wait-list and 16AB individuals' community service cost plans through FY 2007. This request is for \$1.1 million in all funds, \$270,000 general fund over the biennium to support the remainder of the wait-list individuals' annualized cost plans.



## DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Disability Services Division, Montana Developmental Center

### MONTANA DEVELOPMENTAL CENTER CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Developmental Disability Program Director	Jeff Sturm	444-2695	jsturm@mt.gov
Superintendent	Kathy Zeeck	225-4400	kzeeck@mt.gov
Division Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

### WHAT THE MONTANA DEVELOPMENTAL CENTER DOES

The MDC, located in Boulder MT, provides for a healthy, safe, therapeutic environment to assist individuals with developmental disabilities prepare for community living. MDC also provides a safety net for those individuals who pose a danger to themselves or others.

The MDC is licensed by Medicaid as an ICF/MR (Intermediate Care Facility for Mental Retardation) and by the State of Montana as an ICF/DD (Intermediate Care Facility for Developmental Disabilities) and currently houses 72 individuals.

### Statutory Authority For the Montana Developmental Center

Statutory authority for the division comes from: 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796 et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CFR Part 303.

### HOW SERVICES ARE PROVIDED

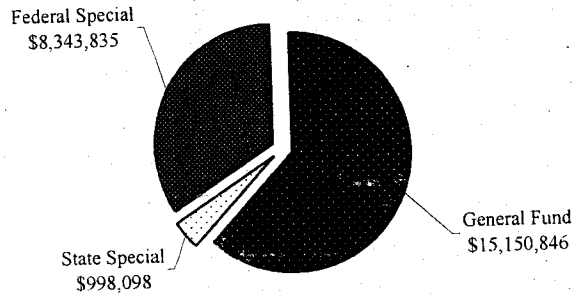
The Montana Developmental Center is organized into 6 departments/bureaus under the oversight of the superintendent with the following functions:

1. Administrative Services – Oversees Human Services, Administrative Support, Nutrition Services, Occupational Safety and Health Specialist, and Staff Development Services
2. Physical Services – Oversees Accounting, Payroll, and Materials Management
3. Client Services – Oversees Human Services, Vocational Services, Recreation Services and Residences 1 & 4, 2 & 6
4. Client Services – Oversees Psychology Services, Occupational and Physical Therapy, Communication Services, and Residences 16AB, 3 & 5, and 104R & 104W
5. Clinical Services – Oversees Nursing Services, Contracted Medical Services, Therapists, Physicians, Dental Services and Clinical Records
6. Environmental Services – Oversees Custodial Services, Maintenance Services, and Laundry Services

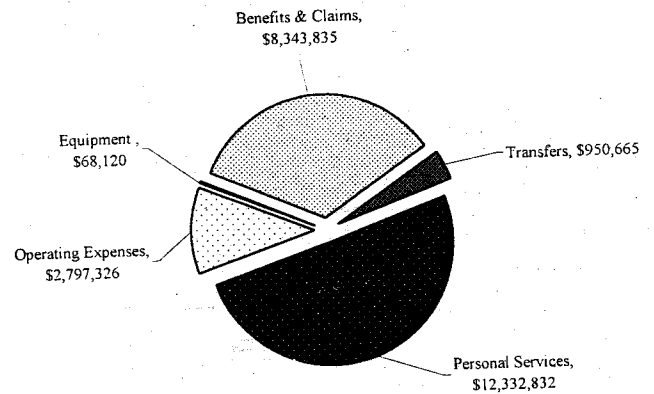
## Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of Montana Developmental Center. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

**FY 2006 Funding**



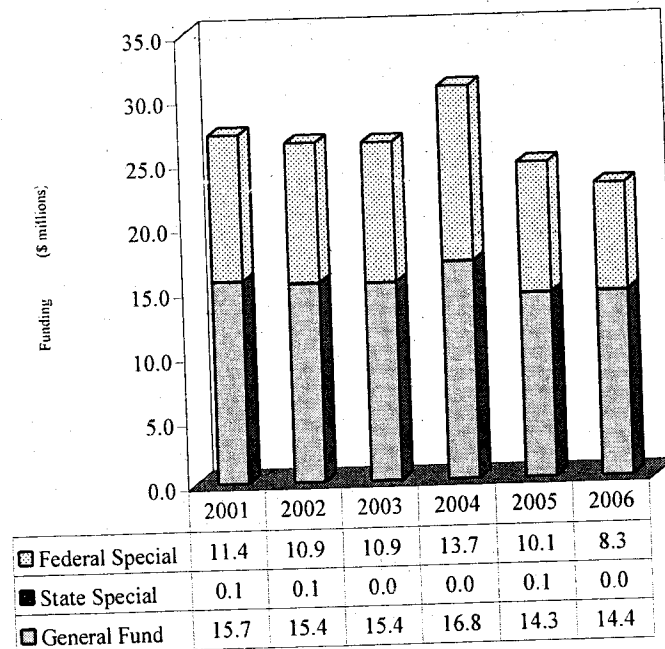
**FY 2006 First Level Expenditures**



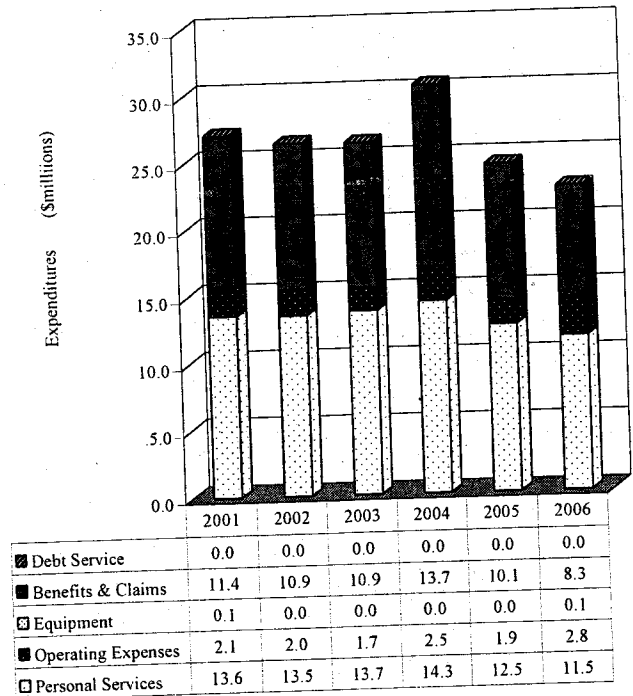
The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.

**Historical Funding**



**Historical Expenditures**



The general decrease in expenditures from FY 2001 through FY 2006 resulted from gradual downsizing of the facility by moving near-total / total care individuals to community-based service settings, as agreed in the Travis D. lawsuit settlement.

The increased expenditures in FY 2004 resulted from:

- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the closure of Eastmont Human Services Center (the reduction at Eastmont was not equal and offsetting to the increase at MDC since more resources were required at MDC to accommodate the transition);
- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the creation of the Intermediate Care Facility for the Developmentally Disabled (ICF-DD), secure-care unit 104;
- a large increase in the bed tax payment; and
- a large increase in insurance payments.

## **2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION**

### **Program Expansion**

The Montana Developmental Center continues to downsize the facility as agreed to in the Travis D. lawsuit settlement. The census has decreased from 86 as of July, 2005 to 72 at the end of December, 2006. The "program expansion" associated with this movement to community is also mentioned in the Developmental Disabilities Program overview.

The 2005 Legislature appropriated general fund and federal Medicaid funding to reduce the developmental disabilities community services waiting list by fifteen individuals. The request was funded at the average cost plan amount for intensive individuals (intensive individuals not receiving services are usually the most in need and are usually the first selected through the screening process). As of December 2006, forty individuals have been moved off of the waiting list and screened into community services. More individuals were screened into services as compared to the original funding request since the actual average cost per individual was less than the projected average. The division prioritized this expansion state-wide and determined that some of the individuals most in need were able to receive services in less-costly settings. Even though funding was appropriated for both years of the biennium, the division purposefully waited until mid-FY2007 to implement this expansion. This was done to facilitate the movement of individuals from the Montana Developmental Center to community services and allow the closure of the total care unit ahead of the schedule agreed upon in the Travis D. lawsuit settlement. The timeline of this closure was moved up to relieve some of the budget pressures on the Montana Developmental Center.

### **FTE**

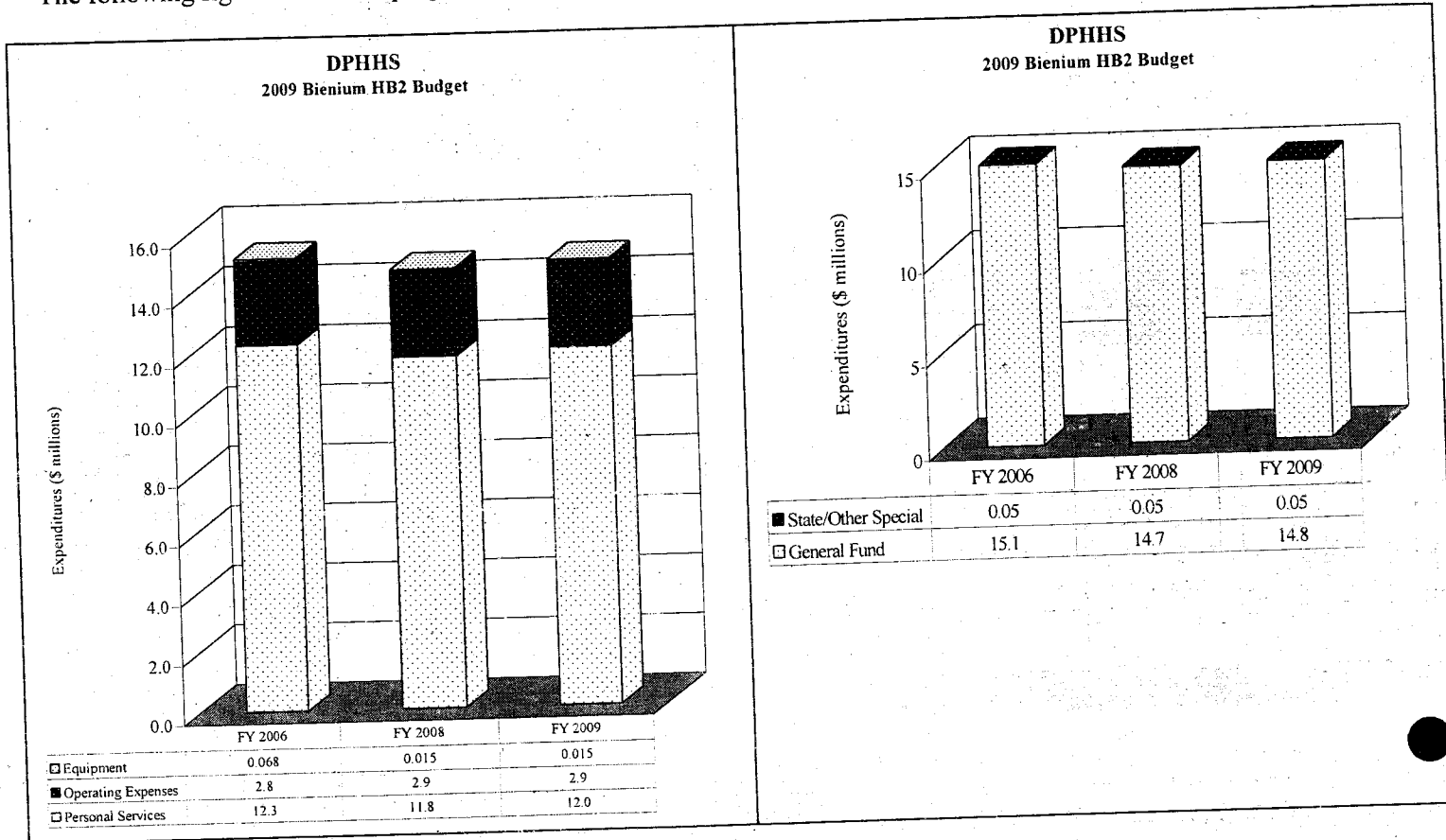
No new FTE were approved for Developmental Disabilities Program during the 2007 Biennium.

### **CORRECTIVE ACTION PLANS**

The Montana Developmental Center had no legislative or federal audit recommendations and no associated corrective action plans in place during the 2005 biennium.

## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



## Goals and Measurable Objectives

The following figure shows the Montana Developmental Center base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division / Montana Developmental Center		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<b>Montana Developmental Center (MDC) Mission:</b> To improve, preserve, strengthen, and protect the health, well-being, and self-reliance of all individuals served, in an environment that respects and develops those individuals charged with providing services.		
5. Montana Developmental Center (MDC)- Continue to move individuals from MDC to community-based services.	Move all individuals from the total care unit (unit 16AB) to community-based services and close the unit before December 2007, as per the Travis D lawsuit. (PL 10003 - Annualization of Community Service Cost Plans. Pg B-132)	As of January 2007, five of the original 18 individuals remain on unit 16AB.
6. MDC - Maintain Medicaid and ICFDD (Intermediate Care Facility for the Developmentally Disabled) certification. <b>*Medicaid Objective:</b> Assure that the quality of care meets acceptable standards.	Successfully complete annual reviews from state licensing and the federal government (i.e. review of all policies, health and safety, behavioral treatment, staff qualifications, etc.) (PL 10004 - MDC Base Adjustments. Pg B-133)	Both units are currently licensed with no outstanding deficiencies.

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Montana Developmental Center (MDC) budget submission to the Governor's Office:

- ☐ PL 10004 – MDC Base Adjustments. (Pg B-133) Re-establishes funding at the Montana Developmental Center (MDC) for zero-based personal services costs, such as overtime, holiday, and differential pay. MDC is a 24-7 facility. (see goal # 6)

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division, Vocational Rehabilitation Program

### VOCATIONAL REHABILITATION PROGRAM CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Division Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

### WHAT THE VOCATIONAL REHABILITATION PROGRAM DOES

VR helps people with disabilities get jobs and live independently in the community. Rehabilitation counselors and blind/low vision specialists in eleven field offices across the state work directly with consumers to provide individual services. VR serves people with any disability---orthopedic, mental, visual, hearing, brain injury, and any other disability that affects a person's ability to work. VR provides services including counseling, career training, adaptive equipment, transportation, medical services, orientation and mobility services for people who are blind, and job placement. In addition to VR work services, the program also provides extended employment and independent living services.

### Statutory Authority for the Vocational Rehabilitation Program

Title 53, MCA; 29 USC 721 et seq.; 34 CFR 361

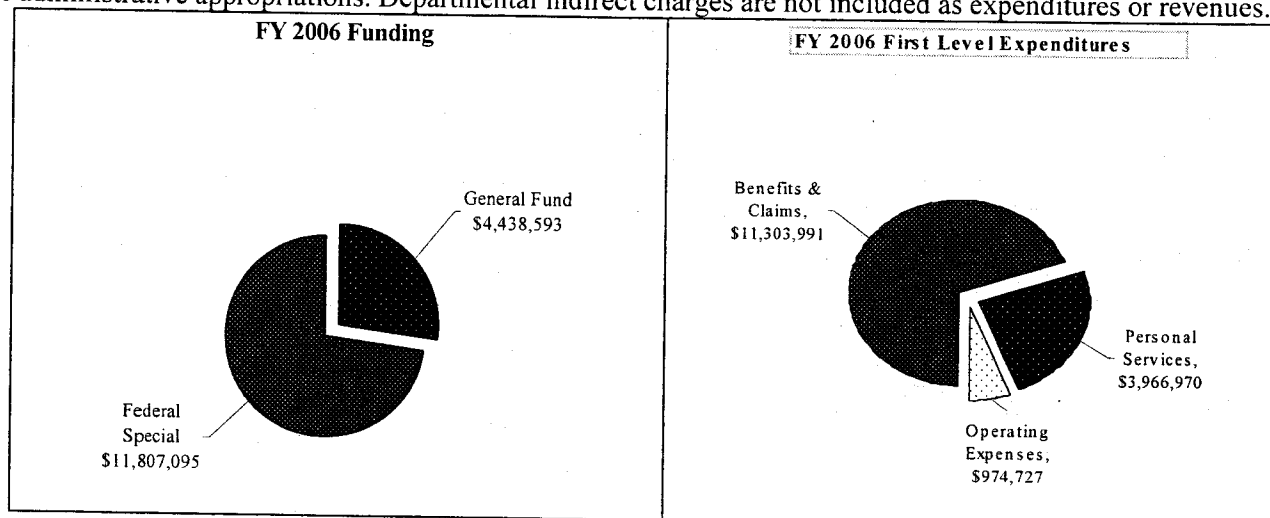
### HOW SERVICES ARE PROVIDED

The Vocational Rehabilitation Program is organized into 3 bureaus with the following functions:

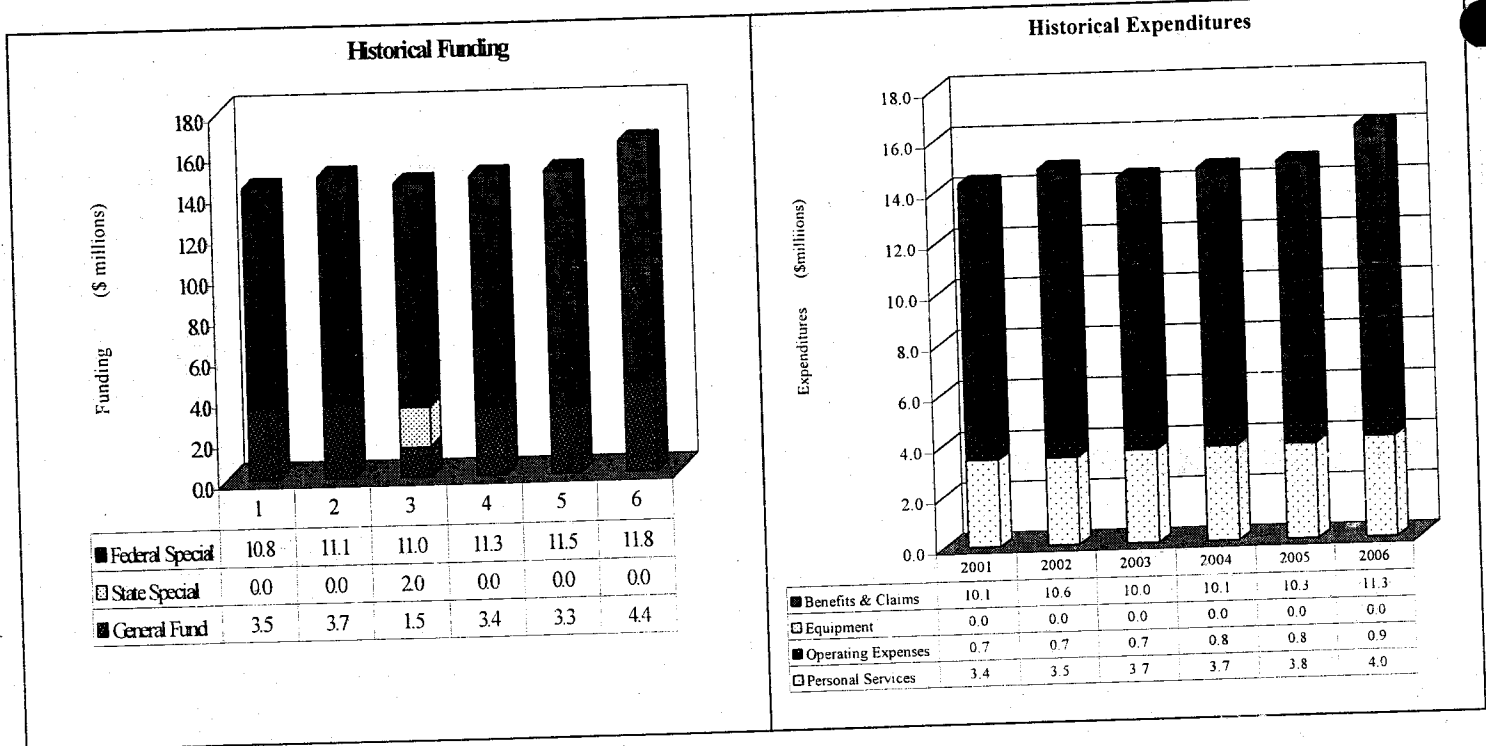
- Field Services Bureau—This bureau houses the counselors and field staff that provide services directly to the VR consumers.
- Program Support Bureau—This bureau houses program staff that oversee the various funding sources, federal rules, and administrative functions. These areas include Ticket to Work, Social Security, Native American coordination, in-service training, transitions, program planning, program evaluation, information systems, state plan, extended employment, and independent living.
- Financial Services Bureau—This bureau administers the budget and financial operations for the division.

### Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Vocational Rehabilitation Program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium. This information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues.



The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The change in revenues and expenditures between FY 2005 and FY 2006 resulted from the pay plan, tuition increases, extended employment expansion, Montana Youth Leadership Forum, independent living increases, and the new assistive technology position. Program growth slowed between FY 2002 and FY 2005 due to budget cuts.

## 2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

### Program Expansion

The Vocational Rehabilitation Program implemented or expanded four programs with general fund in the 2007 biennium.

1. The vocational rehabilitation (VR) program successfully implemented general fund authority from the 2005 Legislature to expand services in the VR extended employment (EE) program. At the time of the 2005 Session, this additional funding was projected to be sufficient to place half (70 people) of the individuals on the EE waiting list into services. In FY 2006 alone, the division has placed 68 individuals into EE services off the waiting list. The EE waiting list has grown considerably over the course of the 2007 biennium.
2. The 2005 Legislature appropriated general fund for a blind and low vision technology specialist, located within the VR program. The division filled this position in January of 2006, after waiting for the position to be classified and going through two advertising processes. This person has provided training to consumers, consulted with employers, and helped design low-vision work stations.
3. The 2005 Legislature appropriated funding for independent living to provide more services in eastern Montana. During FY 2006 alone, 33 new people received services with a plan; a travel training course was developed and is presented monthly; two people with disabilities were trained and are on Transportation Advisory Councils; and sub-offices were opened and services provided in Miles City and Ashland.
4. The 2005 Legislature funded the Montana Youth Leadership Forum for high school students with disabilities. In the summer of 2005, 14 high school students with disabilities attended a week-long forum on leadership training and disability issues, and in 2006, 16 students attended. After the forum, alumni were provided with other opportunities for leadership development. Five alumni were hired to serve as recruiters/ambassadors to help the development and implementation of strategies to reach youth with disabilities. In addition, alumni made presentations at 15 events during 2006.

## FTE

The legislature approved appropriations for an additional 1.0 FTE in the 2007 Biennium for a blind and low vision technology specialist. The following figure shows the position and hire date for the new FTE.

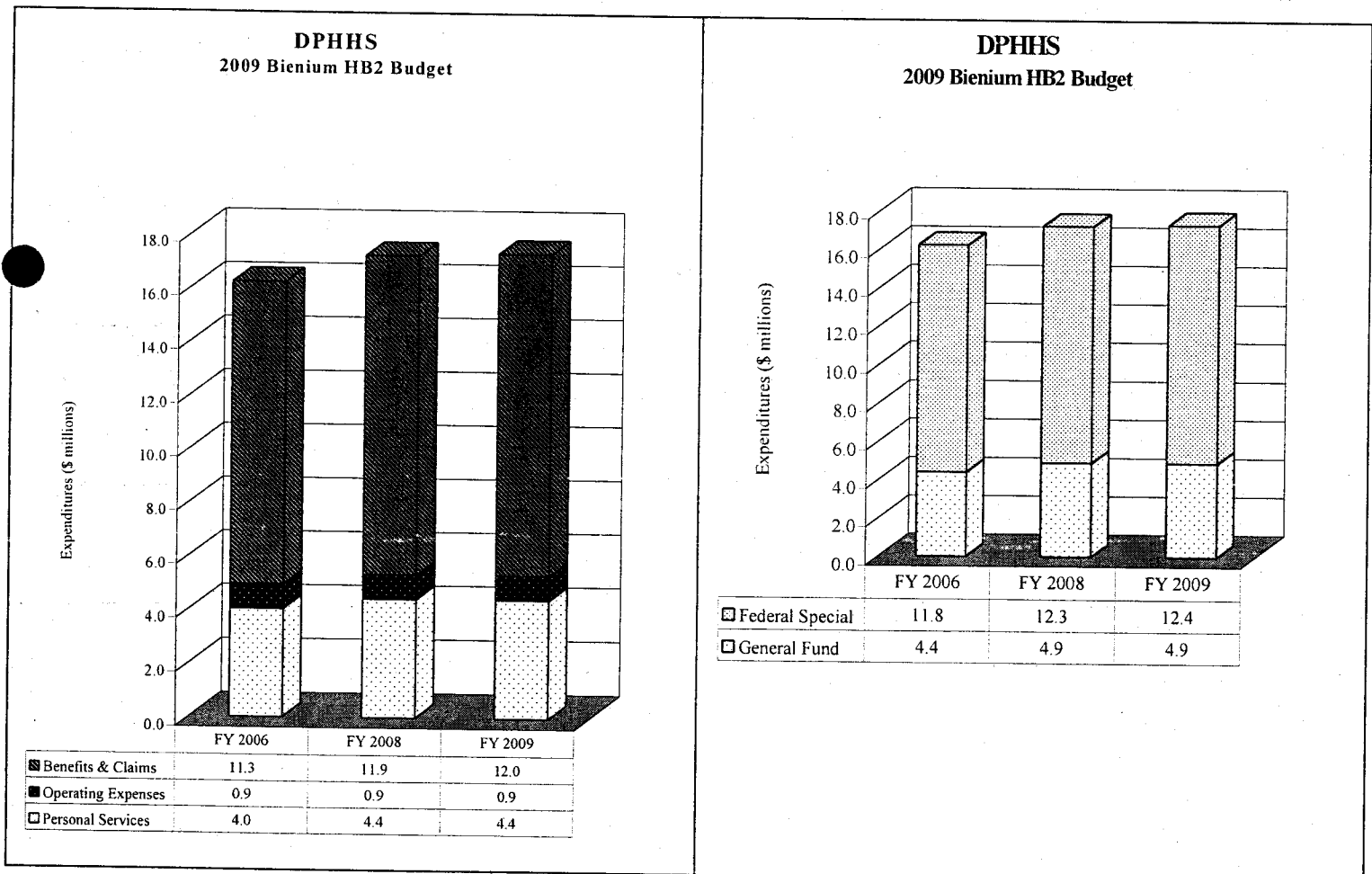
2007 Biennium FTE Hire Dates	FTE	Date
Assistive Technology Specialist	1.00	01/19/2006

## CORRECTIVE ACTION PLANS

The Vocational Rehabilitation Program had one legislative audit recommendations, no federal audit recommendations, and no associated corrective action plans in place during the 2007 biennium. Auditors recommended that the program implement a procedure to review the Vocational Rehabilitation federal grant expenditures (RSA-2) report to ensure the correct expenditures are reported. The division established a written procedure detailing the preparation and review of the RSA-2 report. Future reports will be prepared and reviewed by two separate employees prior to submission.

## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.





## Goals and Measurable Objectives

The following figure shows the Vocational Rehabilitation Program base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<b>Vocational Rehabilitation (VR)</b> <b>Program Mission:</b> Promoting work and independence for Montanans with disabilities.		
7. VR - To meet or exceed all standards and indicators as determined by the federal department of education.	1.1 Number of individuals employed Federal requirement: at least as many as in the previous year	2006 - 909 individuals became employed. Montana VR met the standard.
8. VR - meet or exceed all standards and indicators	1.2 Percent employed—percentage of individuals employed compared to all people who had plans written and were closed ("Rehab Rate") Federal requirement: at least 55.8%	2006 - The rehabilitation rate was 57.5%. Montana VR met the standard.
9. VR - meet or exceed all standards and indicators	1.3 Employed competitively—percentage of individuals employed who are getting at least minimum wage Federal requirement: at least 72.6%	2006 - 97.5% of individuals employed earned at least minimum wage. Montana VR met the standard.
10. VR - meet or exceed all standards and indicators	1.4 Significant disability—percentage of individuals employed who are earning at least minimum wage who are significantly disabled Federal requirement: at least 62.4%	2006 - 81.7% of individuals employed earning at least minimum wage were significantly disabled. Montana VR met the standard.
11. VR - meet or exceed all standards and indicators	1.5 Earnings ratio—average hourly rate of individuals employed who are earning at least minimum wage divided by the state's average hourly earnings for all employed people Federal requirement: at least .52	2006 - 0.75 is the calculated ratio. Montana VR met the standard.
12. VR - meet or exceed all standards and indicators	1.6 Self supporting—looking at all individuals employed who are earning at least minimum wage, this item is the difference between the percent of people who reported their own income as their largest source of support at closure and at application Federal requirement: at least 53.0	2006 - 55.2 is Montana's calculation. Montana VR met the standard.
13. VR - meet or exceed all standards and indicators	2 Equal access/Minority ratio—service rate for minorities as a ratio to the service rate for non-minorities. The service rate is defined as the number of people who exited the VR program after receiving services divided by the total number of people exiting the program. Federal requirement: at least .80	2006 - 0.87 is Montana's ratio. Montana VR met the standard.
14. VR - To help students with disabilities transition from school to work.	Recruit 20 high school students with disabilities to complete the Montana Youth Leadership Forum (MYLF) week-long training program in each year of the 2009 biennium. Each student will complete a vocational and leadership plan. For each student that completes the training, MYLF will provide one-year of resources and supports that will assist students in reaching their vocational and leadership goals. (DP 10009 - MYLF, Pg B-136)	In FY 2006, MYLF recruited 22 students to attend the week-long training. 16 students completed the training.

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Vocational Rehabilitation Program budget submission to the Governor's Office.

- PL 10005 - DSD Rent for non-state facilities. (Pg B-134) This funding request is for rent increases for offices in non-Department of Administration buildings for the Developmental Disabilities and Vocational Rehabilitation programs. The increases are built into the lease agreements for field offices.
- PL 10008 - VR Tuition Increases. (Pg B-135) This decision package requests \$100,596 of general fund and \$371,683 of federal funds over the biennium to provide for a 5% tuition increase each year from FY 2007 through FY 2009 for non state schools only, and no increase for state schools. The funds, which are a portion of the Vocational Rehabilitation benefits, will offset increases in tuition costs and maintain current level services that assist individuals with disabilities in returning to work. (see goal # 11 and 12)
- NP 10009 - Montana Youth Leadership Forum (MYLF). (Pg B-136) This decision package is a request to support the Montana Youth Leadership Forum (MYLF) for disabled youth, including Indian students on Montana reservations. It is a request for \$100,000 in general funds over the biennium. (see goal # 14)
- NP 10026 - VR Transition Counselor. (Pg B-139) This decision package is a request for 1.00 FTE, vocational rehabilitation counselor to be located in a local school district who will assist in identifying students and coordinating available services. This request is part of the initiative to Improve Outcomes for Young Adults with Disabilities. This is a budget request for \$107,167 general fund over the biennium. (see goal # 7) This decision package has the following goals:
  - 70 transition aged consumers will be served over the biennium.
  - 18 of these people will be placed in jobs over the biennium.
  - 40 plans for employment will be written over the biennium.
  - A transition website will be developed to help coordinate transition activities among the many transition agencies.
  - Information materials regarding post secondary services will be developed for students and their families.
  - The new position will serve as a resource to schools for vocational rehabilitation and developmental disabilities services and how to best refer students to these programs.
  - The new position will serve as a resource to vocational rehabilitation counselors on services that are available in schools for students with disabilities.
- NP 10501 - Provider Rate Increases. (Pg B-139) This decision package requests increases for provider rates by 2.5% for the biennium. This excludes rates for Developmental Disability Program services as funding for those services is requested in NP 10011 - DD Rate Rebasing.

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division – Montana Telecommunications Access Program

### MONTANA TELECOMMUNICATIONS ACCESS PROGRAM CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Program Director	Connie Phelps	444-4290	cphelps@mt.gov
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

### WHAT THE MONTANA TELECOMMUNICATIONS ACCESS PROGRAM DOES

The Montana Telecommunications Access Program provides assistive equipment for people throughout the state who have difficulty using a standard telephone due to hearing loss, a speech disability, or a mobility disability. MTAP also provides the Montana Relay which is a federally mandated telecommunications service that provides people who are deaf, hard of hearing, deaf/blind, or speech disabled with equal opportunity to use the telephone through special technologies. The program is funded by state special revenues from the telecommunications access fee.

### Statutory Authority for the Disability Services Division

Statutory authority for the program comes from 42 CFR 441.302.

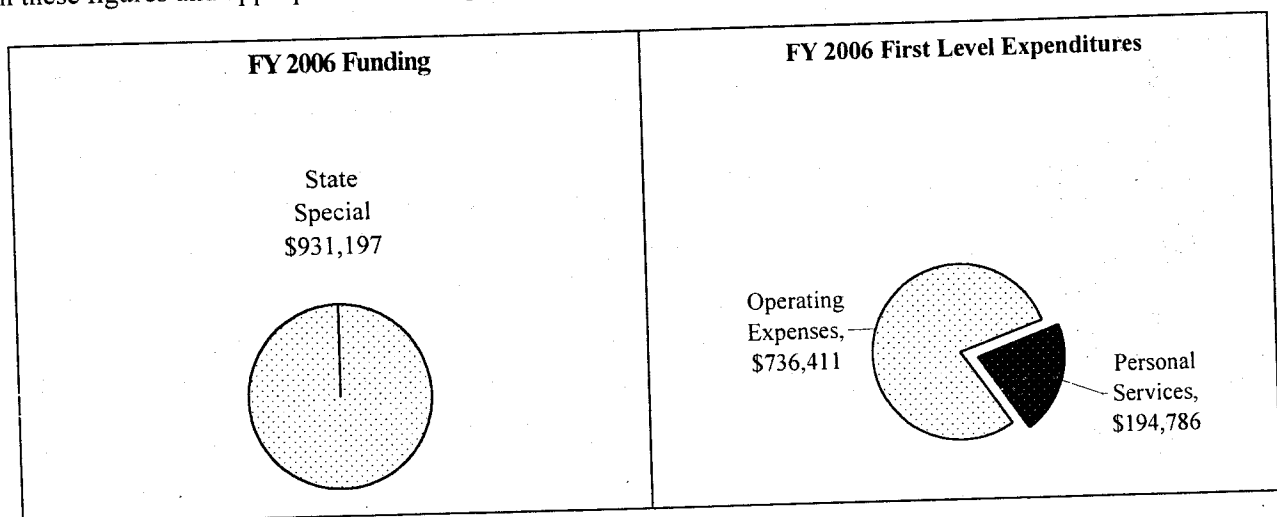
### HOW SERVICES ARE PROVIDED

The Montana Telecommunications Access Program is organized into the following functions:

1. **Outreach** – MTAP is required by federal mandate to provide Outreach for Montana Relay through the media.
2. **Montana Relay** – MTAP provides a service that helps Montanans with hearing loss to make phone calls to hearing people who use a standard phone. Relay service is available nationally 24 hours a day, 365 days a year simply by dialing 7-1-1.
3. **Direct Client Services** – MTAP provides direct client services by distributing specialized telecommunications equipment to Montanans who qualify for this program.
4. **Other Agency Training** – MTAP staff provides training to other state, city, and county agencies on the use of Montana Relay including captioned and text telephones.

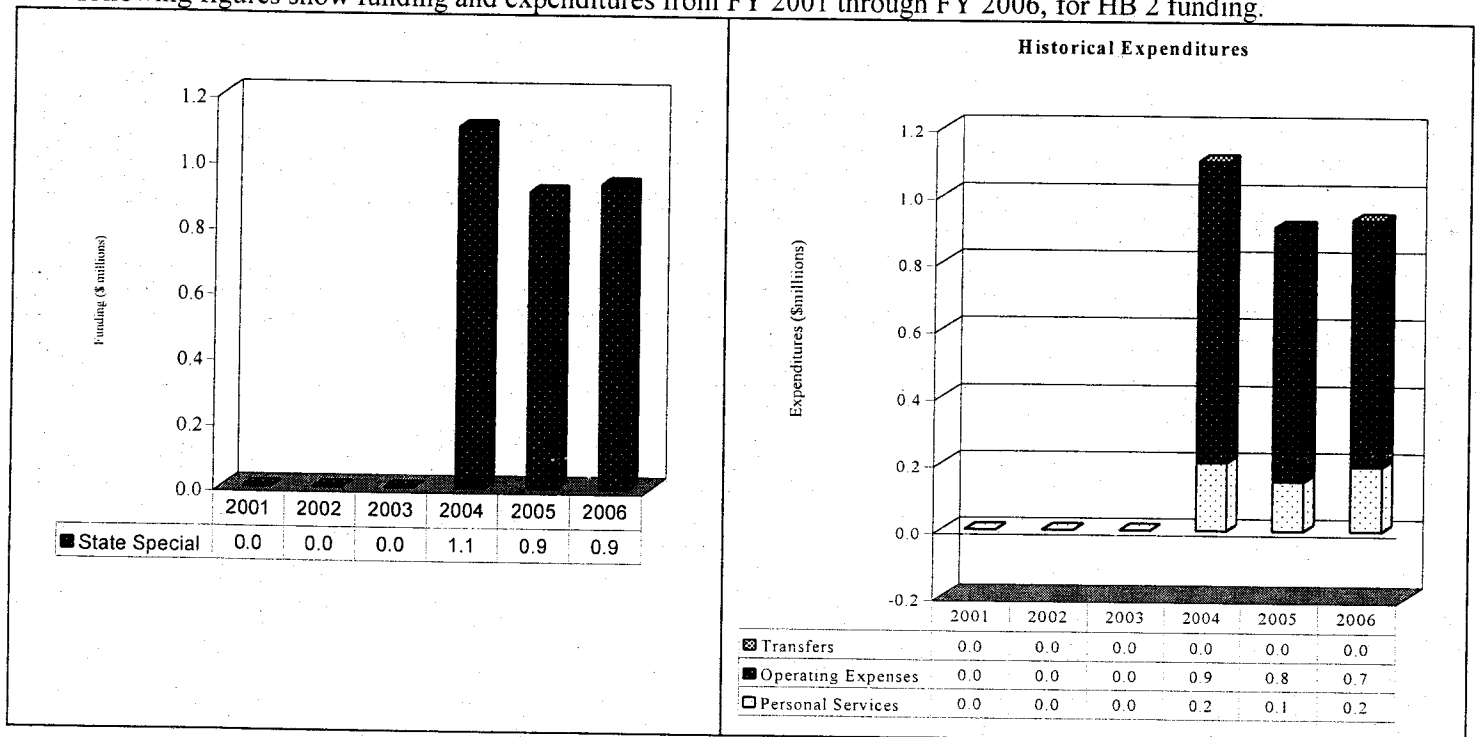
### Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Montana Telecommunications Access Program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



MTAP was administratively attached to the Director's Office until FY 2004. Vacant positions account for the reduced personal services costs in FY 2005. MTAP had a one-time large purchase of equipment in FY 2004. TTY usage continues to decline while uses of more expensive technologies, such as CAPTEL, are gradually increasing.

## 2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

### Program Expansion

The Montana Telecommunications Access Program did not expand services in the 2007 biennium.

### FTE

No new FTE were authorized for the Montana Telecommunications Access Program in the 2007 Biennium.

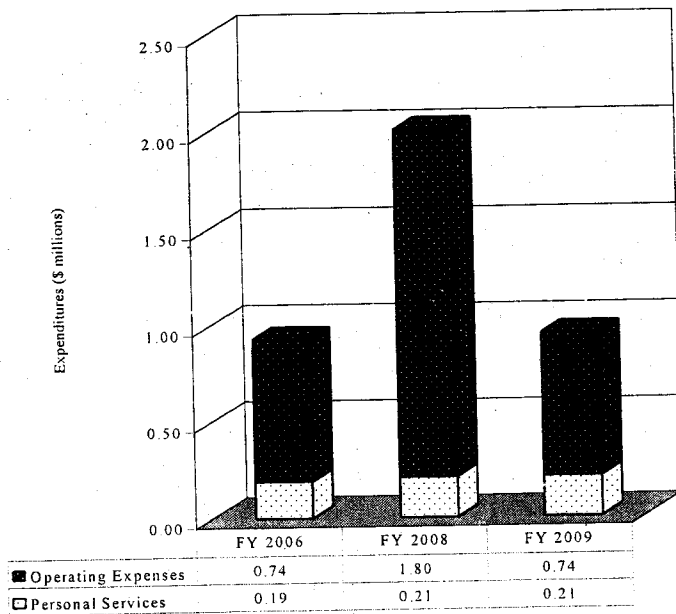
### CORRECTIVE ACTION PLANS

There were no corrective action plans and no audit findings for the Montana Telecommunications Access Program in the 2007 Biennium.

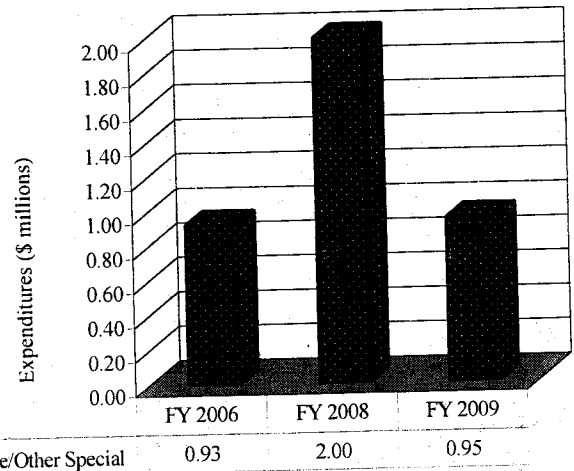
## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

**DPHHS**  
2009 Biennium HB2 Budget



**DPHHS**  
2009 Biennium HB2 Budget



## Goals and Measurable Objectives

The following figure shows the Montana Telecommunications Access Program base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<u>Montana Telecommunications Access Program (MTAP) Mission:</u> To improve the quality of life for all Montanans through education, innovation, and technology by enhancing communication options.		
15. MTAP – Assure access to traditional relay, captioned telephone relay, video relay, and internet protocol relay services. Distribute telephone equipment to Montanans with disabilities who qualify for this program.	<ul style="list-style-type: none"> <li>Provide 493,925 relay minutes in fiscal year 2008 and 506,156 relay minutes in fiscal year 2009.</li> <li>Distribute 797 pieces of equipment in fiscal year 2008 and an additional 824 pieces of equipment in fiscal year 2009.</li> </ul>	<ul style="list-style-type: none"> <li>In SFY 2006, provided 531,264 relay minutes.</li> <li>In SFY 2006, distributed 744 pieces of equipment.</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

### Significant Budget Requests:

- NP 10018 - MTAP new technologies. (Pg B-138) Continue to provide access to telecommunications for individuals that are deaf or hard of hearing, for services such as video relay and internet protocol. (see goal # 15)

## SIGNIFICANT ISSUES EXPANDED

### NP 10018 - MTAP new technologies.

DSD requests \$1,065,000 state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

- At this time, the known new technologies are Video Relay Service (VRS) and Internet Protocol Relay (IP Relay). VRS facilitates phone calls between an individual who uses sign language and a hearing individual that knows no sign language at all. Using the Internet, video of the sign language user is transmitted to a sign interpreter, who then voices the call aloud for the hearing party. Internet Protocol Relay (IP Relay) also uses the internet, but in this case text is transmitted rather than video. Individuals who are Deaf use a computer connected to the internet to send text to an operator who will then speak that message aloud for the hearing party to the call.
- These new technologies are the latest developments in telecommunications for individuals who are Deaf. The federal government currently funds them, but the states will be required to assume this service at some point in the future.
- These services come closer than anything before to providing functional equivalence between telecommunications for individuals who are Deaf and telecommunications for those who hear. Providing such functional equivalence is a fundamental goal of the Americans with Disabilities Act, and one of the fundamental purposes of MTAP.
- This EPP proposal requests a restricted appropriation using MTAP's state special revenue account fund balance. This appropriation would be a contingency, accessed only if the FCC ruled that the states would now be required to pay for VRS and IP Relay. The requested amount for this appropriation, if accessed, would leave a projected fund balance at the end of SFY 2009 of approximately \$200,000.

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division – Disability Determination Services

### DISABILITY DETERMINATION SERVICES CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Program Director	Michelle Thibodeaux	444-3838	mthibodeau@mt.gov
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

### WHAT THE DISABILITY DETERMINATION SERVICES DOES

The Disability Determination Services (DDS) works in partnership with the Social Security Administration (SSA) in administering two disability programs that have the same medical/vocational criteria for determining eligibility for benefits. The DDS is a state agency which is governed under Title II and Title XVI of the SSA Act and Chapter III of the code of Federal Regulations.

The DDS operates strictly with federal funds. The agency mission is to adjudicate disability claims with quality, accuracy, expediency and fairness for Social Security Disability Insurance and Supplemental Security Income programs.

### Statutory Authority for the Disability Determination Services

Statutory authority for the program comes from: Social Security Administration, 20 CFR 400-499.

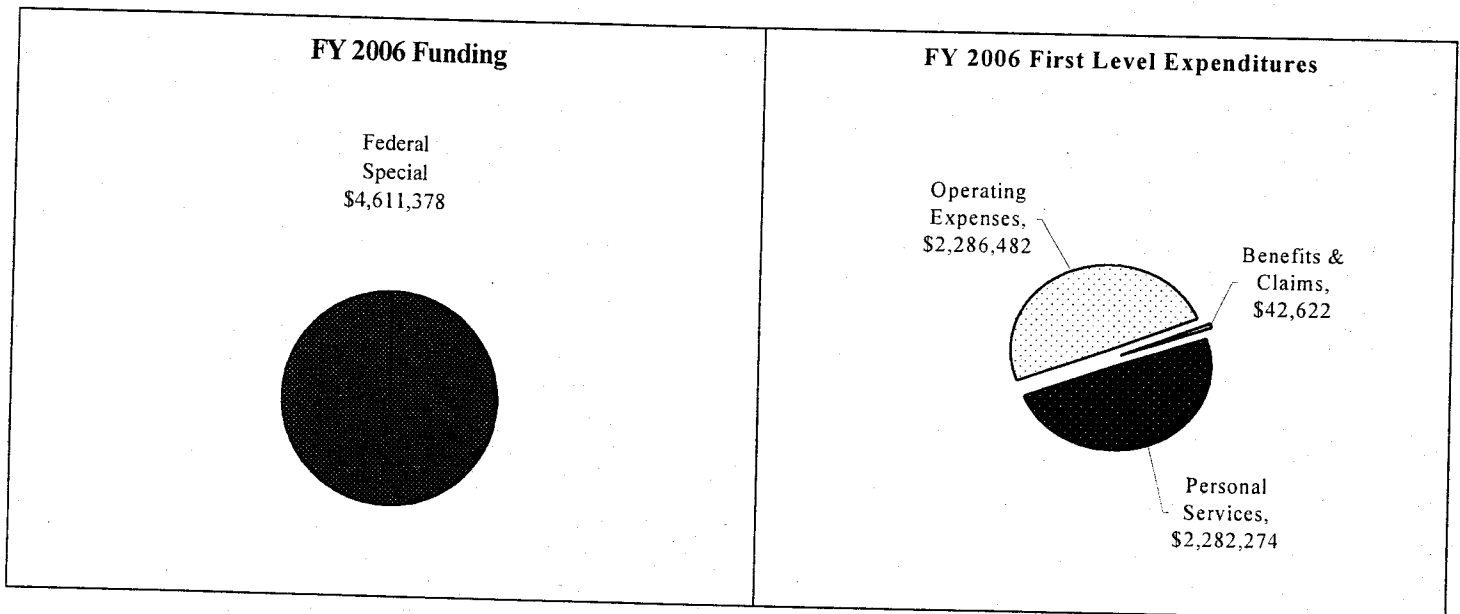
### HOW SERVICES ARE PROVIDED

The Disability Determination Services is organized into 2 units with the following functions:

1. The Adjudication Operations Unit is comprised of hearings officers, adjudication officers, adjudication supervisors, and the quality consultant specialists. This unit is responsible for adjudicating claims submitted by citizens of Montana to determine their eligibility for Social Security Disability benefits according to SSA. The employees use strict guidelines, policies and procedures to make their determinations.
2. The Support Operations Unit is comprised of systems staff, adjudication support, accounting and administrative support staff. These positions provide technical, system and administrative support to the DDS adjudication staff.

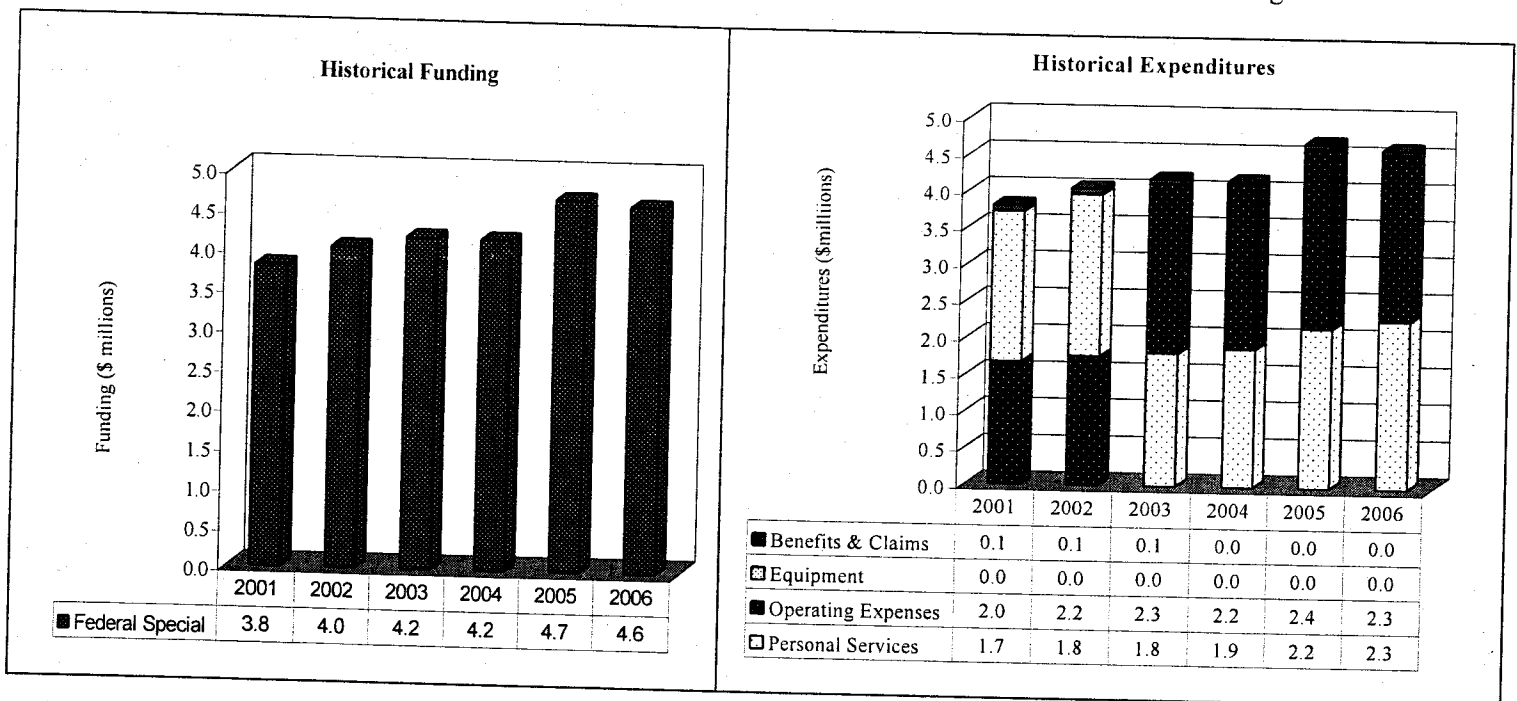
## Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Disability Determination Services. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The change in revenues and expenditures between fiscal 2004 and 2006 resulted from:

- ◆ A complete transition from a paper adjudication process to a fully electronic adjudication system.
- ◆ General growth in the disability applications.



# 2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

## Program Expansion

The Disability Determination Services has not expanded programs in the 2007 biennium.

## FTE

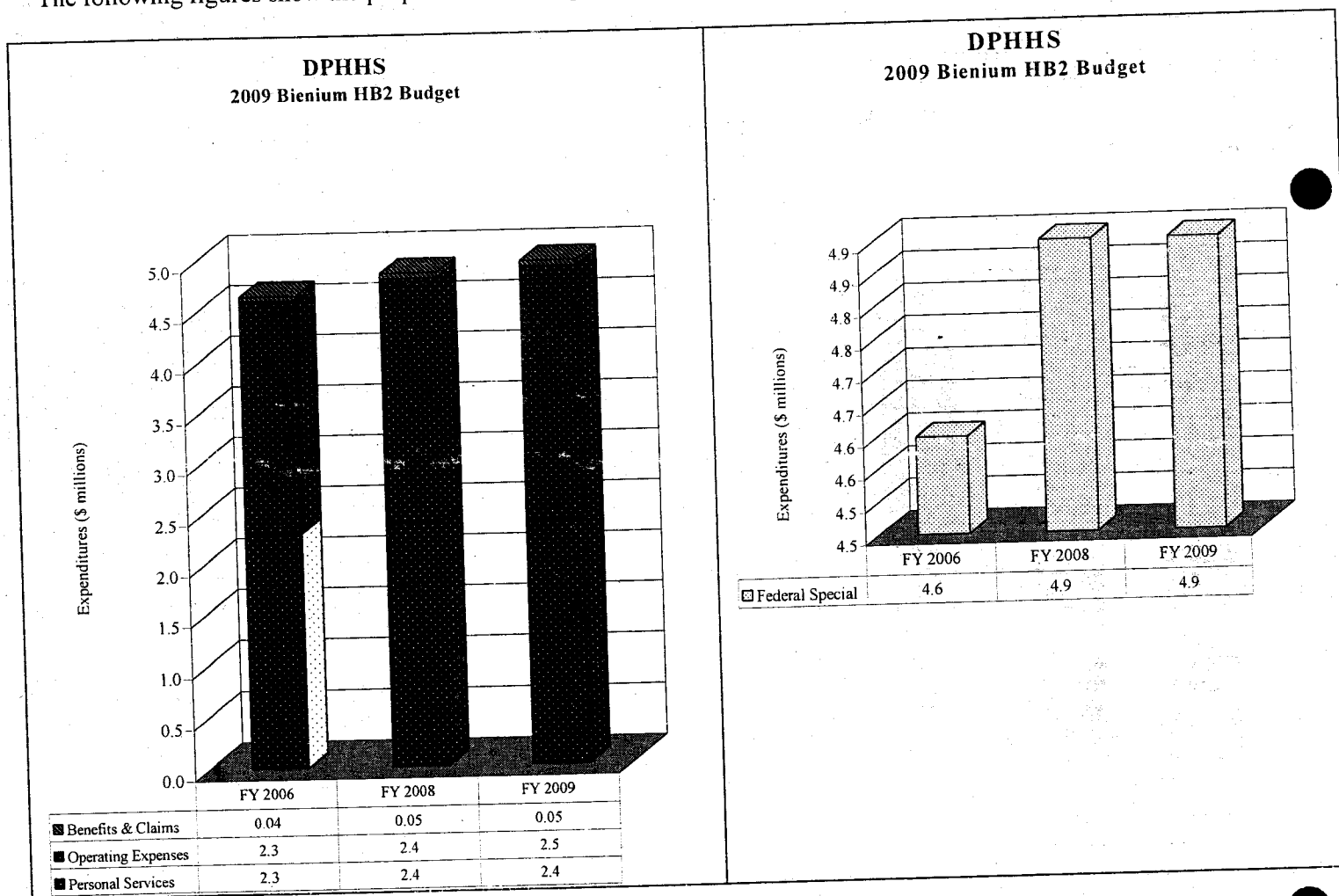
The Social Security Administration has not authorized the Disability Determination Services any additional FTE for the 2007 biennium.

## CORRECTIVE ACTION PLANS

The Disability Determination Services had no legislative or federal audit recommendations and no associated corrective action plans in place during the 2005 biennium.

## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



## Goals and Measurable Objectives

The following figure shows the Disability Determination Services base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<u>Disability Determination Services (DDS) Mission:</u> To adjudicate Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims in a timely, cost efficient, accurate, and respectful manner.		
16. DDS - Meet the national standards for accuracy, quality, processing time, production per work year and pending caseloads.	<ul style="list-style-type: none"> <li>• Adjudicate 7,500 initial claims for disability benefits in federal fiscal year 2008 and 8,000 initial claims in federal fiscal year 2009.</li> <li>• Ending year goal of 1440 initial claims pending.</li> <li>• 93 days processing time</li> <li>• Implement the new SSA regulations, including developing a new Quick Decision process, elimination of the reconsideration level of appeal and prepare legal briefs for each decision. (DP 10007 – DDS Base Adjustments. Pg B-134)</li> </ul>	In federal fiscal year 2006: <ul style="list-style-type: none"> <li>• Adjudicated 6,800 initial claims</li> <li>• 1647 initial claims pending at the</li> <li>• 93 days processing time</li> <li>• Completed the transition to the electronic process</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

- PL 10007 – Disability Determination Services Base Adjustment. (Pg B-134) This decision package requests an increase of \$395,762 in federal funds over the biennium for Disability Determination Services workload increase.

## DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

### Disability Services Division, Vocational Rehabilitation Program

#### VOCATIONAL REHABILITATION PROGRAM CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Division Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

#### WHAT THE VOCATIONAL REHABILITATION PROGRAM DOES

VR helps people with disabilities get jobs and live independently in the community. Rehabilitation counselors and blind/low vision specialists in eleven field offices across the state work directly with consumers to provide individual services. VR serves people with any disability---orthopedic, mental, visual, hearing, brain injury, and any other disability that affects a person's ability to work. VR provides services including counseling, career training, adaptive equipment, transportation, medical services, orientation and mobility services for people who are blind, and job placement. In addition to VR work services, the program also provides extended employment and independent living services.

#### Statutory Authority for the Vocational Rehabilitation Program

Title 53, MCA; 29 USC 721 et seq.; 34 CFR 361

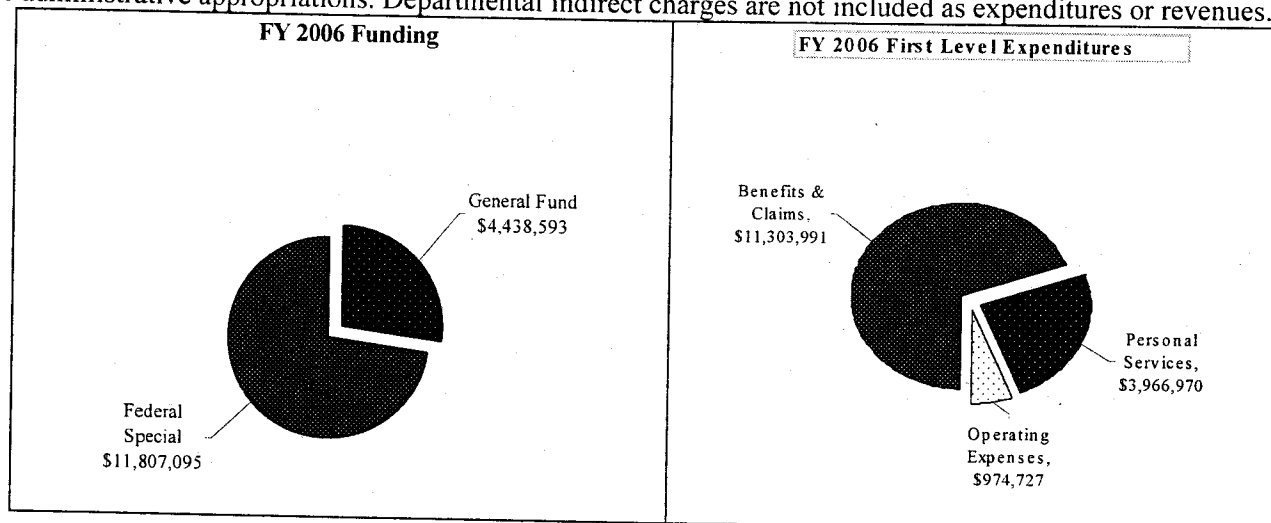
#### HOW SERVICES ARE PROVIDED

The Vocational Rehabilitation Program is organized into 3 bureaus with the following functions:

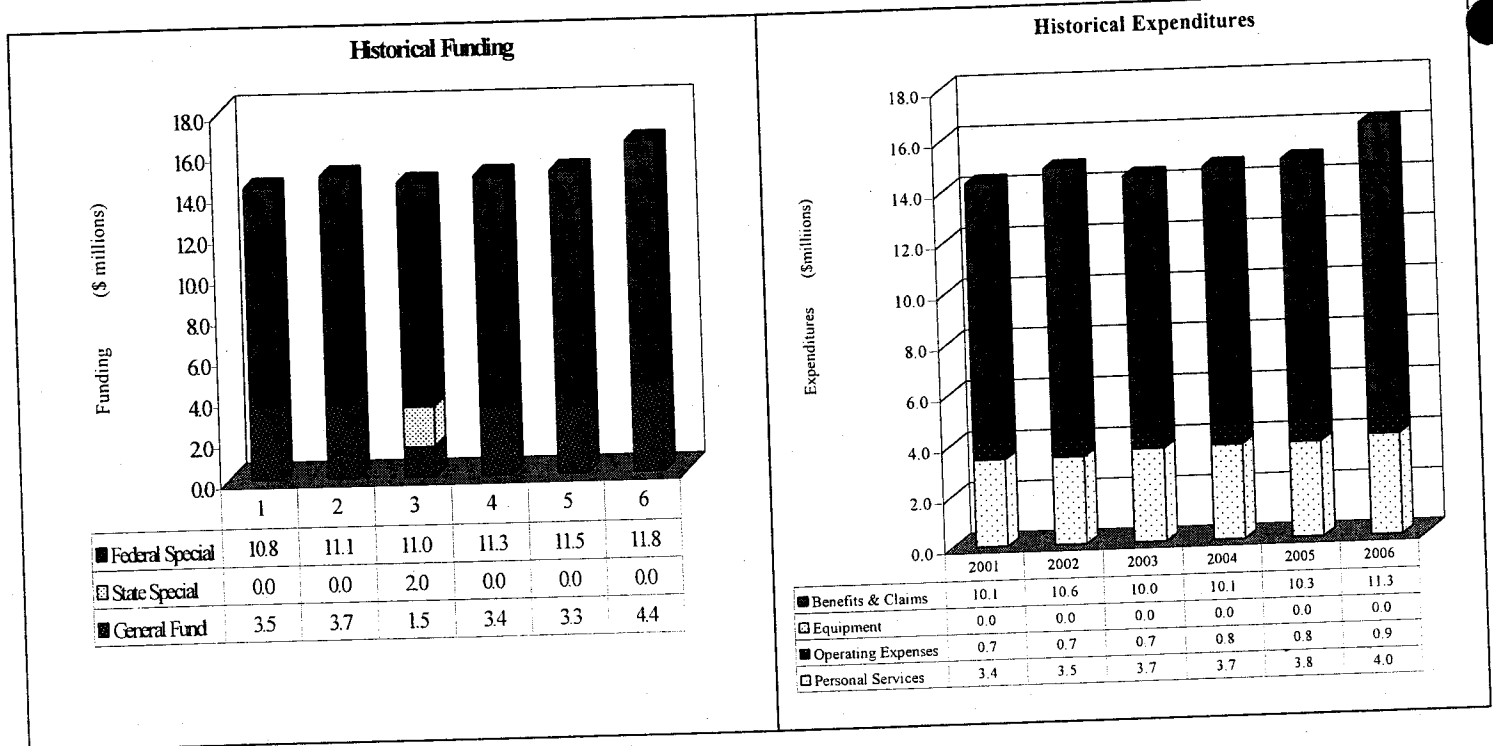
- Field Services Bureau—This bureau houses the counselors and field staff that provide services directly to the VR consumers.
- Program Support Bureau—This bureau houses program staff that oversee the various funding sources, federal rules, and administrative functions. These areas include Ticket to Work, Social Security, Native American coordination, in-service training, transitions, program planning, program evaluation, information systems, state plan, extended employment, and independent living.
- Financial Services Bureau—This bureau administers the budget and financial operations for the division.

#### Spending and Funding Information

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The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



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1. The vocational rehabilitation (VR) program successfully implemented general fund authority from the 2005 Legislature to expand services in the VR extended employment (EE) program. At the time of the 2005 Session, this additional funding was projected to be sufficient to place half (70 people) of the individuals on the EE waiting list into services. In FY 2006 alone, the division has placed 68 individuals into EE services off the waiting list. The EE waiting list has grown considerably over the course of the 2007 biennium.
2. The 2005 Legislature appropriated general fund for a blind and low vision technology specialist, located within the VR program. The division filled this position in January of 2006, after waiting for the position to be classified and going through two advertising processes. This person has provided training to consumers, consulted with employers, and helped design low-vision work stations.
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## FTE

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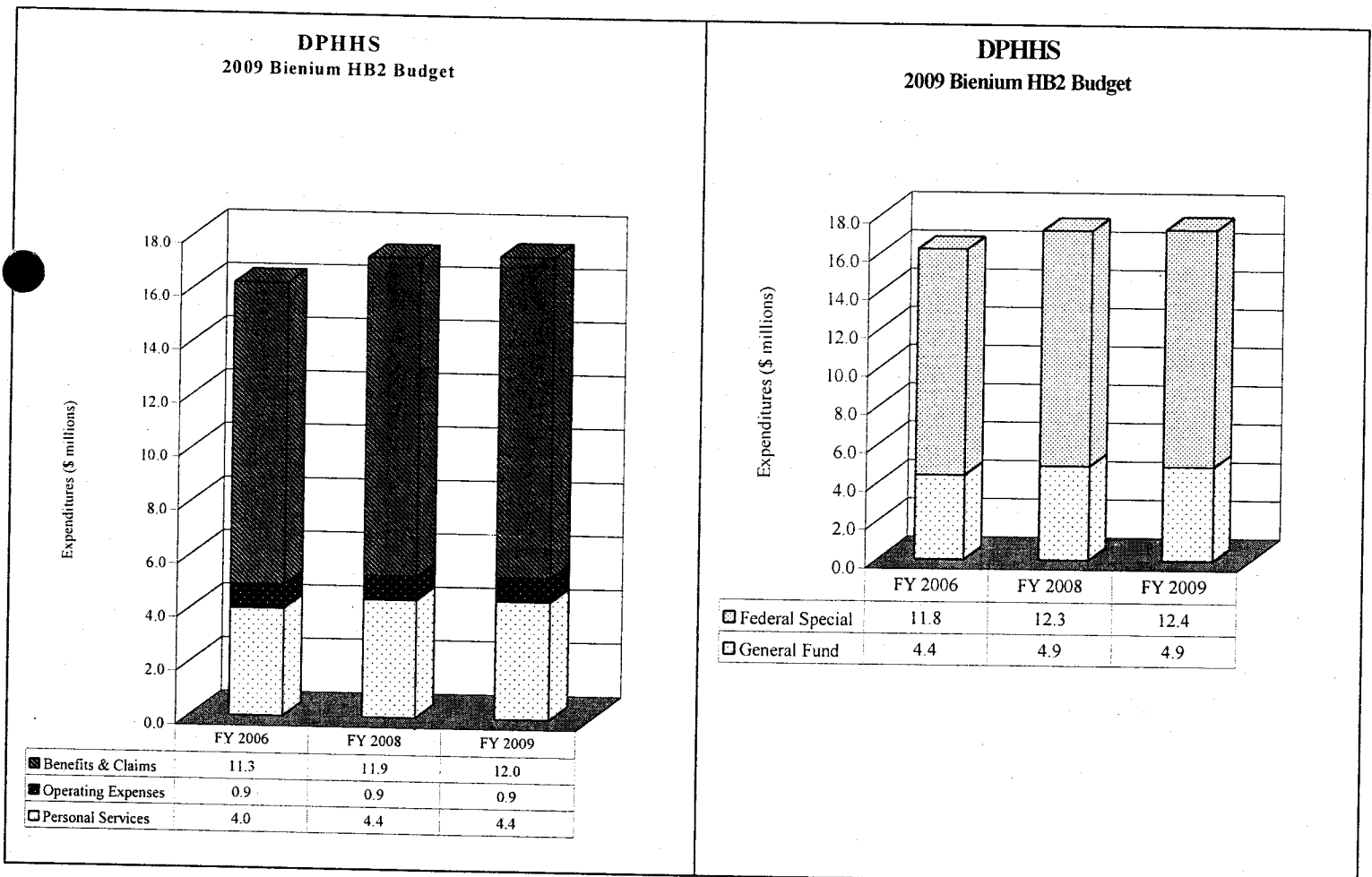
2007 Biennium FTE Hire Dates	FTE	Date
Assistive Technology Specialist	1.00	01/19/2006

## CORRECTIVE ACTION PLANS

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7. VR - To meet or exceed all standards and indicators as determined by the federal department of education.	1.1 Number of individuals employed Federal requirement: at least as many as in the previous year	2006 - 909 individuals became employed. Montana VR met the standard.
8. VR - meet or exceed all standards and indicators	1.2 Percent employed—percentage of individuals employed compared to all people who had plans written and were closed ("Rehab Rate") Federal requirement: at least 55.8%	2006 - The rehabilitation rate was 57.5%. Montana VR met the standard.
9. VR - meet or exceed all standards and indicators	1.3 Employed competitively—percentage of individuals employed who are getting at least minimum wage Federal requirement: at least 72.6%	2006 - 97.5% of individuals employed earned at least minimum wage. Montana VR met the standard.
10. VR - meet or exceed all standards and indicators	1.4 Significant disability—percentage of individuals employed who are earning at least minimum wage who are significantly disabled Federal requirement: at least 62.4%	2006 - 81.7% of individuals employed earning at least minimum wage were significantly disabled. Montana VR met the standard.
11. VR - meet or exceed all standards and indicators	1.5 Earnings ratio—average hourly rate of individuals employed who are earning at least minimum wage divided by the state's average hourly earnings for all employed people Federal requirement: at least .52	2006 - 0.75 is the calculated ratio. Montana VR met the standard.
12. VR - meet or exceed all standards and indicators	1.6 Self supporting—looking at all individuals employed who are earning at least minimum wage, this item is the difference between the percent of people who reported their own income as their largest source of support at closure and at application Federal requirement: at least 53.0	2006 - 55.2 is Montana's calculation. Montana VR met the standard.
13. VR - meet or exceed all standards and indicators	2 Equal access/Minority ratio—service rate for minorities as a ratio to the service rate for non-minorities. The service rate is defined as the number of people who exited the VR program after receiving services divided by the total number of people exiting the program. Federal requirement: at least .80	2006 - 0.87 is Montana's ratio. Montana VR met the standard.
14. VR - To help students with disabilities transition from school to work.	Recruit 20 high school students with disabilities to complete the Montana Youth Leadership Forum (MYLF) week-long training program in each year of the 2009 biennium. Each student will complete a vocational and leadership plan. For each student that completes the training, MYLF will provide one-year of resources and supports that will assist students in reaching their vocational and leadership goals. (DP 10009 - MYLF, Pg B-136)	In FY 2006, MYLF recruited 22 students to attend the week-long training. 16 students completed the training.

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Vocational Rehabilitation Program budget submission to the Governor's Office.

- PL 10005 - DSD Rent for non-state facilities. (Pg B-134) This funding request is for rent increases for offices in non-Department of Administration buildings for the Developmental Disabilities and Vocational Rehabilitation programs. The increases are built into the lease agreements for field offices.
- PL 10008 - VR Tuition Increases. (Pg B-135) This decision package requests \$100,596 of general fund and \$371,683 of federal funds over the biennium to provide for a 5% tuition increase each year from FY 2007 through FY 2009 for non state schools only, and no increase for state schools. The funds, which are a portion of the Vocational Rehabilitation benefits, will offset increases in tuition costs and maintain current level services that assist individuals with disabilities in returning to work. (see goal # 11 and 12)
- NP 10009 - Montana Youth Leadership Forum (MYLF). (Pg B-136) This decision package is a request to support the Montana Youth Leadership Forum (MYLF) for disabled youth, including Indian students on Montana reservations. It is a request for \$100,000 in general funds over the biennium. (see goal # 14)
- NP 10026 - VR Transition Counselor. (Pg B-139) This decision package is a request for 1.00 FTE, vocational rehabilitation counselor to be located in a local school district who will assist in identifying students and coordinating available services. This request is part of the initiative to Improve Outcomes for Young Adults with Disabilities. This is a budget request for \$107,167 general fund over the biennium. (see goal # 7) This decision package has the following goals:
  - 70 transition aged consumers will be served over the biennium.
  - 18 of these people will be placed in jobs over the biennium.
  - 40 plans for employment will be written over the biennium.
  - A transition website will be developed to help coordinate transition activities among the many transition agencies.
  - Information materials regarding post secondary services will be developed for students and their families.
  - The new position will serve as a resource to schools for vocational rehabilitation and developmental disabilities services and how to best refer students to these programs.
  - The new position will serve as a resource to vocational rehabilitation counselors on services that are available in schools for students with disabilities.
- NP 10501 - Provider Rate Increases. (Pg B-139) This decision package requests increases for provider rates by 2.5% for the biennium. This excludes rates for Developmental Disability Program services as funding for those services is requested in NP 10011 - DD Rate Rebasing.

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division – Montana Telecommunications Access Program

### MONTANA TELECOMMUNICATIONS ACCESS PROGRAM CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Program Director	Connie Phelps	444-4290	cphelps@mt.gov
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

### WHAT THE MONTANA TELECOMMUNICATIONS ACCESS PROGRAM DOES

The Montana Telecommunications Access Program provides assistive equipment for people throughout the state who have difficulty using a standard telephone due to hearing loss, a speech disability, or a mobility disability. MTAP also provides the Montana Relay which is a federally mandated telecommunications service that provides people who are deaf, hard of hearing, deaf/blind, or speech disabled with equal opportunity to use the telephone through special technologies. The program is funded by state special revenues from the telecommunications access fee.

### Statutory Authority for the Disability Services Division

Statutory authority for the program comes from 42 CFR 441.302.

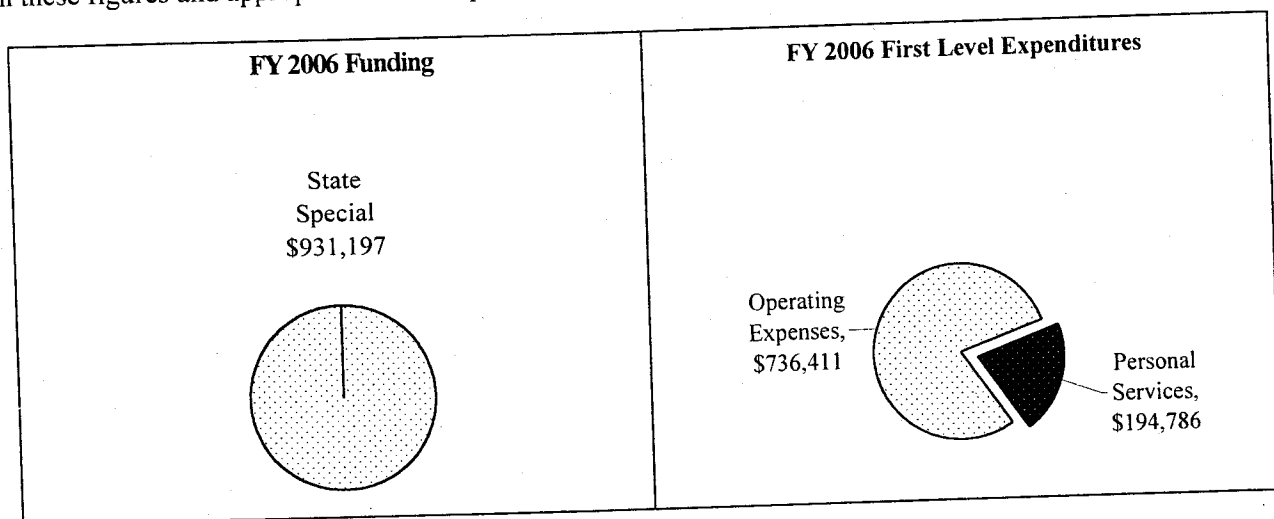
### HOW SERVICES ARE PROVIDED

The Montana Telecommunications Access Program is organized into the following functions:

1. **Outreach** – MTAP is required by federal mandate to provide Outreach for Montana Relay through the media.
2. **Montana Relay** – MTAP provides a service that helps Montanans with hearing loss to make phone calls to hearing people who use a standard phone. Relay service is available nationally 24 hours a day, 365 days a year simply by dialing 7-1-1.
3. **Direct Client Services** – MTAP provides direct client services by distributing specialized telecommunications equipment to Montanans who qualify for this program.
4. **Other Agency Training** – MTAP staff provides training to other state, city, and county agencies on the use of Montana Relay including captioned and text telephones.

### Spending and Funding Information

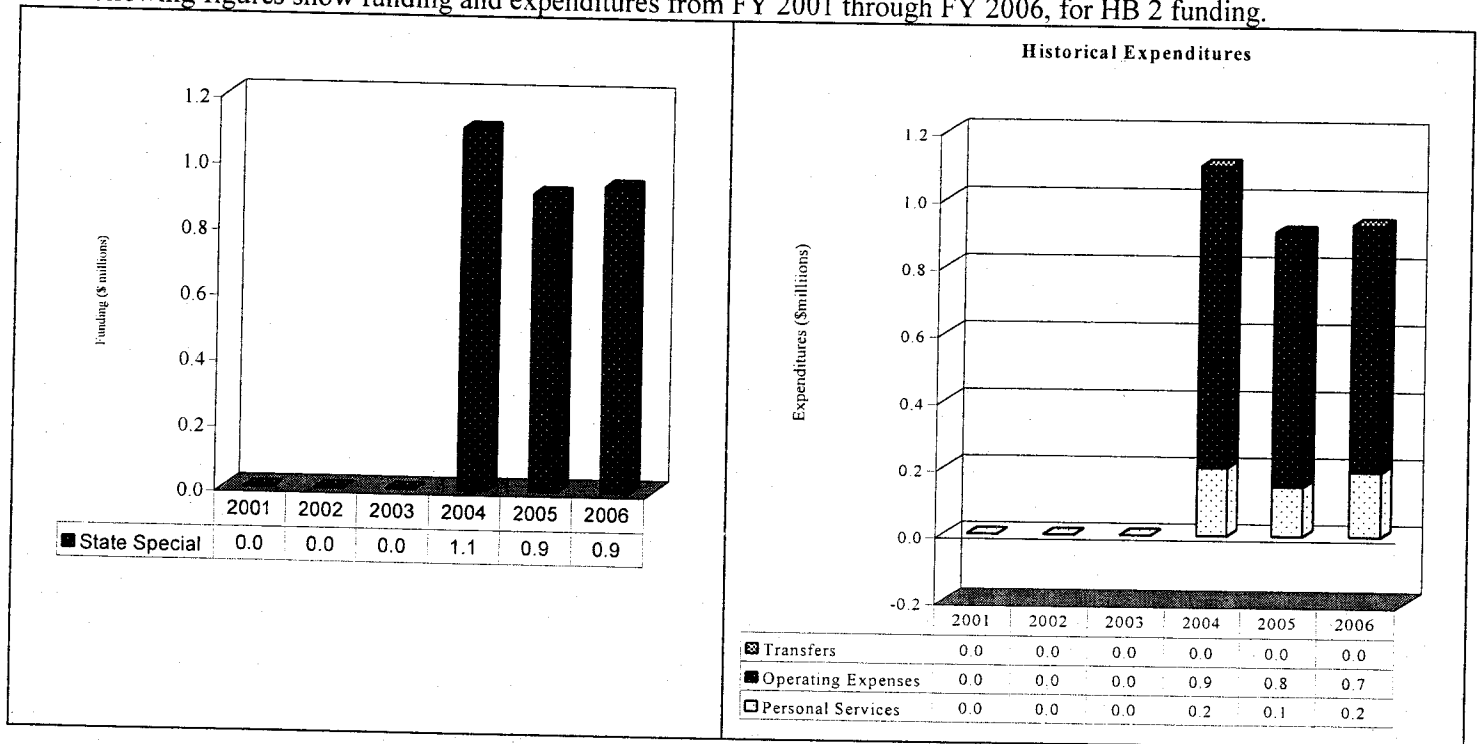
The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Montana Telecommunications Access Program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.





The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



MTAP was administratively attached to the Director's Office until FY 2004. Vacant positions account for the reduced personal services costs in FY 2005. MTAP had a one-time large purchase of equipment in FY 2004. TTY usage continues to decline while uses of more expensive technologies, such as CAPTEL, are gradually increasing.

## 2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

### Program Expansion

The Montana Telecommunications Access Program did not expand services in the 2007 biennium.

### FTE

No new FTE were authorized for the Montana Telecommunications Access Program in the 2007 Biennium.

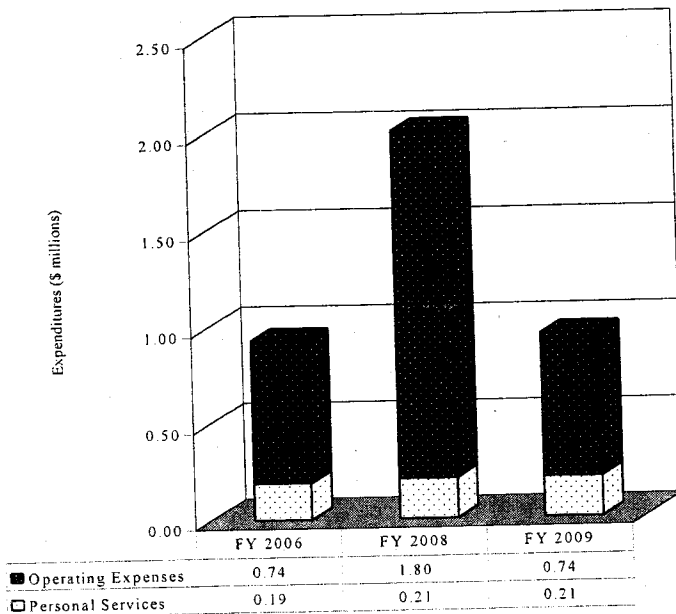
### CORRECTIVE ACTION PLANS

There were no corrective action plans and no audit findings for the Montana Telecommunications Access Program in the 2007 Biennium.

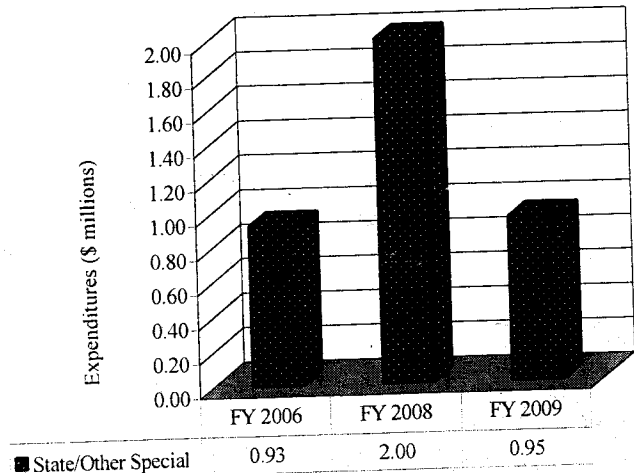
## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

**DPHHS**  
2009 Biennium HB2 Budget



**DPHHS**  
2009 Biennium HB2 Budget



## Goals and Measurable Objectives

The following figure shows the Montana Telecommunications Access Program base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<u>Montana Telecommunications Access Program (MTAP) Mission:</u> To improve the quality of life for all Montanans through education, innovation, and technology by enhancing communication options.		
15. MTAP – Assure access to traditional relay, captioned telephone relay, video relay, and internet protocol relay services. Distribute telephone equipment to Montanans with disabilities who qualify for this program.	<ul style="list-style-type: none"> <li>• Provide 493,925 relay minutes in fiscal year 2008 and 506,156 relay minutes in fiscal year 2009.</li> <li>• Distribute 797 pieces of equipment in fiscal year 2008 and an additional 824 pieces of equipment in fiscal year 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• In SFY 2006, provided 531,264 relay minutes.</li> <li>• In SFY 2006, distributed 744 pieces of equipment.</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

### Significant Budget Requests:

- NP 10018 - MTAP new technologies. (Pg B-138) Continue to provide access to telecommunications for individuals that are deaf or hard of hearing, for services such as video relay and internet protocol. (see goal # 15)

## SIGNIFICANT ISSUES EXPANDED

### NP 10018 - MTAP new technologies.

DSD requests \$1,065,000 state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

- At this time, the known new technologies are Video Relay Service (VRS) and Internet Protocol Relay (IP Relay). VRS facilitates phone calls between an individual who uses sign language and a hearing individual that knows no sign language at all. Using the Internet, video of the sign language user is transmitted to a sign interpreter, who then voices the call aloud for the hearing party. Internet Protocol Relay (IP Relay) also uses the internet, but in this case text is transmitted rather than video. Individuals who are Deaf use a computer connected to the internet to send text to an operator who will then speak that message aloud for the hearing party to the call.
- These new technologies are the latest developments in telecommunications for individuals who are Deaf. The federal government currently funds them, but the states will be required to assume this service at some point in the future.
- These services come closer than anything before to providing functional equivalence between telecommunications for individuals who are Deaf and telecommunications for those who hear. Providing such functional equivalence is a fundamental goal of the Americans with Disabilities Act, and one of the fundamental purposes of MTAP.
- This EPP proposal requests a restricted appropriation using MTAP's state special revenue account fund balance. This appropriation would be a contingency, accessed only if the FCC ruled that the states would now be required to pay for VRS and IP Relay. The requested amount for this appropriation, if accessed, would leave a projected fund balance at the end of SFY 2009 of approximately \$200,000.

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division – Disability Determination Services

### DISABILITY DETERMINATION SERVICES CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Program Director	Michelle Thibodeaux	444-3838	mthibodeau@mt.gov
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

### WHAT THE DISABILITY DETERMINATION SERVICES DOES

The Disability Determination Services (DDS) works in partnership with the Social Security Administration (SSA) in administering two disability programs that have the same medical/vocational criteria for determining eligibility for benefits. The DDS is a state agency which is governed under Title II and Title XVI of the SSA Act and Chapter III of the code of Federal Regulations.

The DDS operates strictly with federal funds. The agency mission is to adjudicate disability claims with quality, accuracy, expediency and fairness for Social Security Disability Insurance and Supplemental Security Income programs.

### Statutory Authority for the Disability Determination Services

Statutory authority for the program comes from: Social Security Administration, 20 CFR 400-499.

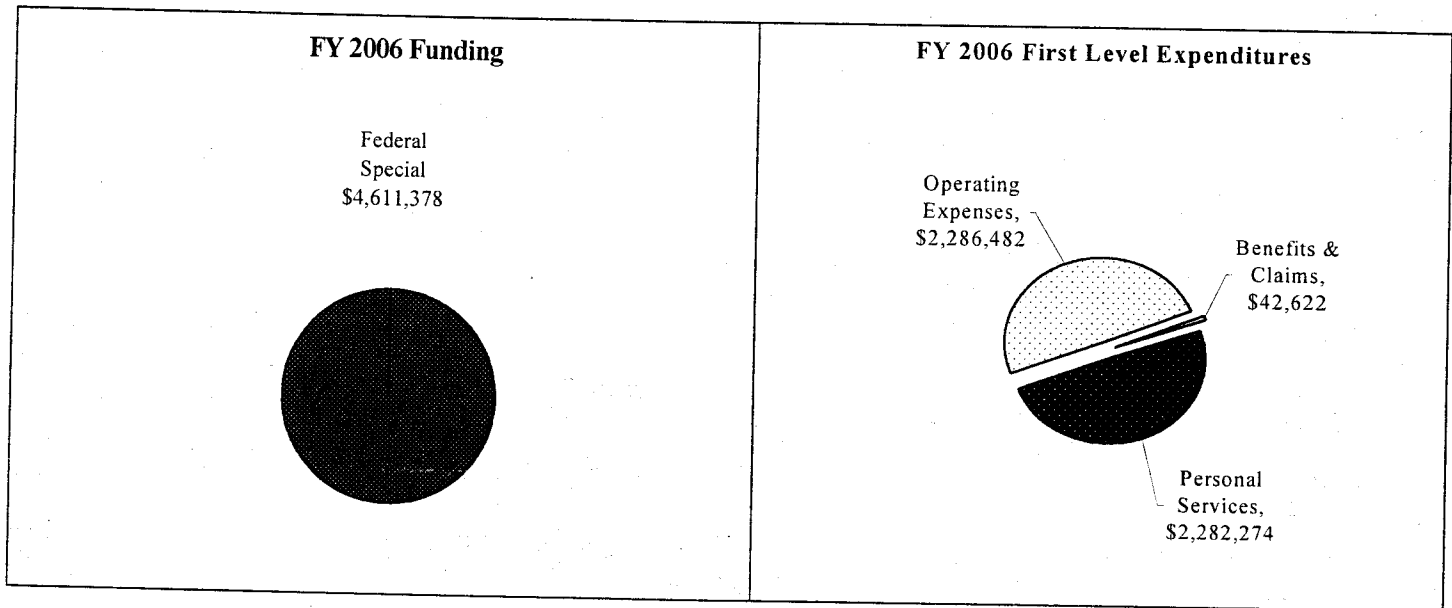
### HOW SERVICES ARE PROVIDED

The Disability Determination Services is organized into 2 units with the following functions:

1. The Adjudication Operations Unit is comprised of hearings officers, adjudication officers, adjudication supervisors, and the quality consultant specialists. This unit is responsible for adjudicating claims submitted by citizens of Montana to determine their eligibility for Social Security Disability benefits according to SSA. The employees use strict guidelines, policies and procedures to make their determinations.
2. The Support Operations Unit is comprised of systems staff, adjudication support, accounting and administrative support staff. These positions provide technical, system and administrative support to the DDS adjudication staff.

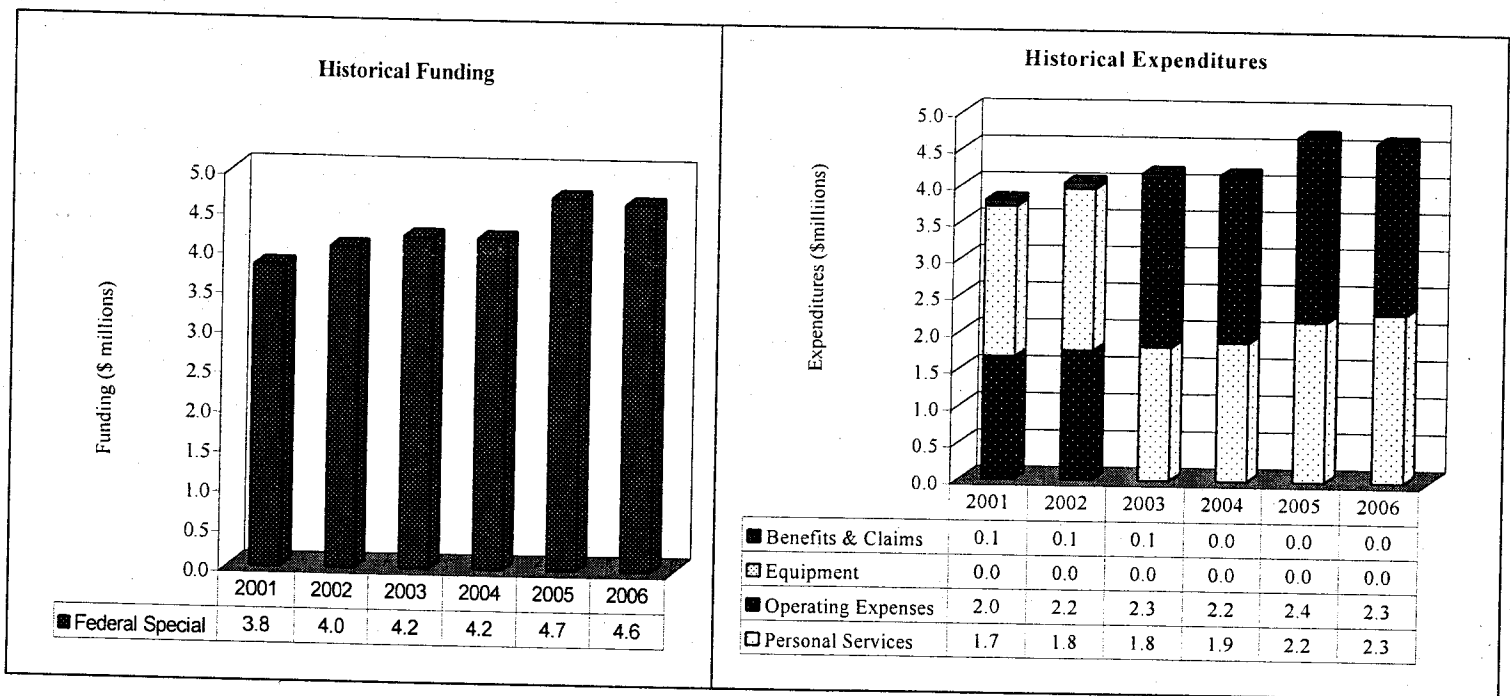
## Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Disability Determination Services. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The change in revenues and expenditures between fiscal 2004 and 2006 resulted from:

- ◆ A complete transition from a paper adjudication process to a fully electronic adjudication system.
- ◆ General growth in the disability applications.

# 2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

## Program Expansion

The Disability Determination Services has not expanded programs in the 2007 biennium.

## FTE

The Social Security Administration has not authorized the Disability Determination Services any additional FTE for the 2007 biennium.

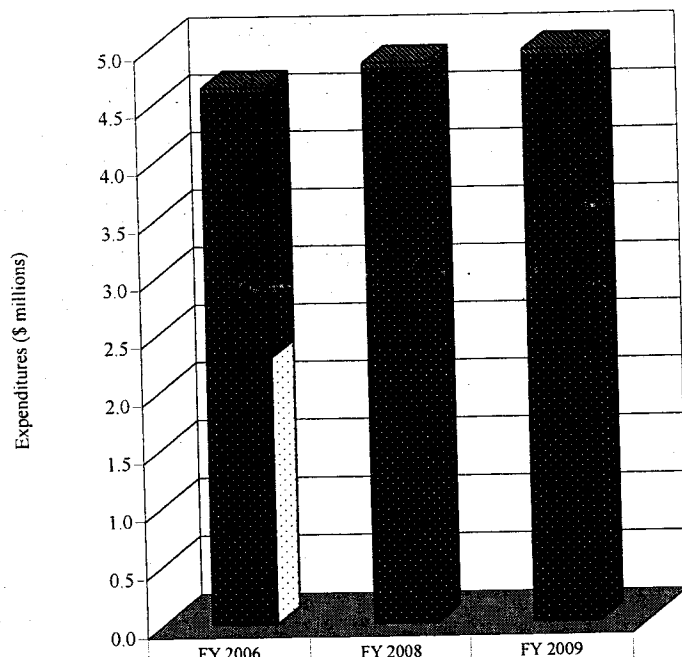
## CORRECTIVE ACTION PLANS

The Disability Determination Services had no legislative or federal audit recommendations and no associated corrective action plans in place during the 2005 biennium.

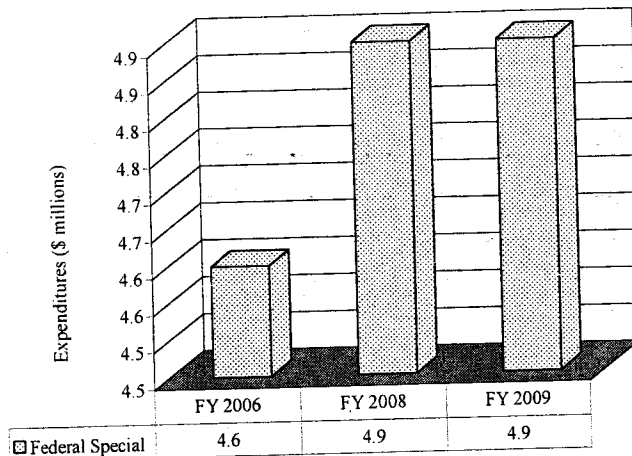
## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

**DPHHS**  
2009 Biennium HB2 Budget



**DPHHS**  
2009 Biennium HB2 Budget



## Goals and Measurable Objectives

The following figure shows the Disability Determination Services base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
Disability Determination Services (DDS) Mission: To adjudicate Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims in a timely, cost efficient, accurate, and respectful manner.		
16. DDS - Meet the national standards for accuracy, quality, processing time, production per work year and pending caseloads.	<ul style="list-style-type: none"> <li>• Adjudicate 7,500 initial claims for disability benefits in federal fiscal year 2008 and 8,000 initial claims in federal fiscal year 2009.</li> <li>• Ending year goal of 1440 initial claims pending.</li> <li>• 93 days processing time</li> <li>• Implement the new SSA regulations, including developing a new Quick Decision process, elimination of the reconsideration level of appeal and prepare legal briefs for each decision.</li> </ul> (DP 10007 – DDS Base Adjustments. Pg B-134)	In federal fiscal year 2006: <ul style="list-style-type: none"> <li>• Adjudicated 6,800 initial claims</li> <li>• 1647 initial claims pending at the</li> <li>• 93 days processing time</li> <li>• Completed the transition to the electronic process</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

- PL 10007 – Disability Determination Services Base Adjustment. (Pg B-134) This decision package requests an increase of \$395,762 in federal funds over the biennium for Disability Determination Services workload increase.

# DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

## Disability Services Division

### DISABILITY SERVICES DIVISION CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Division Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov
Developmental Disability Program Director	Jeff Sturm	444-2695	jesturm@mt.gov
Montana Developmental Center Superintendent	Kathy Zeeck	225-4400	kzeeck@mt.gov
Montana Telecommunications Access Program Director	Connie Phelps	444-4290	cphelps@mt.gov
Disability Determination Services Director	Michelle Thibodeau	444-3838	mthibodeau@mt.gov

### WHAT THE DISABILITY SERVICES DIVISION DOES

The Disability Services Division assists Montanans with disabilities in living, working, and participating in their communities. The division provides or contracts for institutional care, residential services, home-based services to families, case management, telecommunications services, and a variety of employment outcome-related services. This division is responsible for medical adjudication of all claims for Social Security Disability Insurance and Supplemental Security Income. The division is also responsible for the state institution at the Montana Developmental Center in Boulder.

### Statutory Authority for the Disability Services Division

Statutory authority for the division comes from: Title 53, MCA; Title 19, Social Security Act; 29 U.S.C. 721 et. seq.; 29 U.S.C. 796 et. seq.; 29 U.S.C. 774; 29 U.S.C. 777b; 29 U.S.C. 2201 et. seq.; 42 U.S.C. 75, 6602; 72 U.S.C. 1300; 42 CFR 441.302(b); 42 CFR 441.302(g); 45 CFR 74.62; 34 CFR 303; 34 CFR 361; and 20 CFR 400-499.

### HOW SERVICES ARE PROVIDED

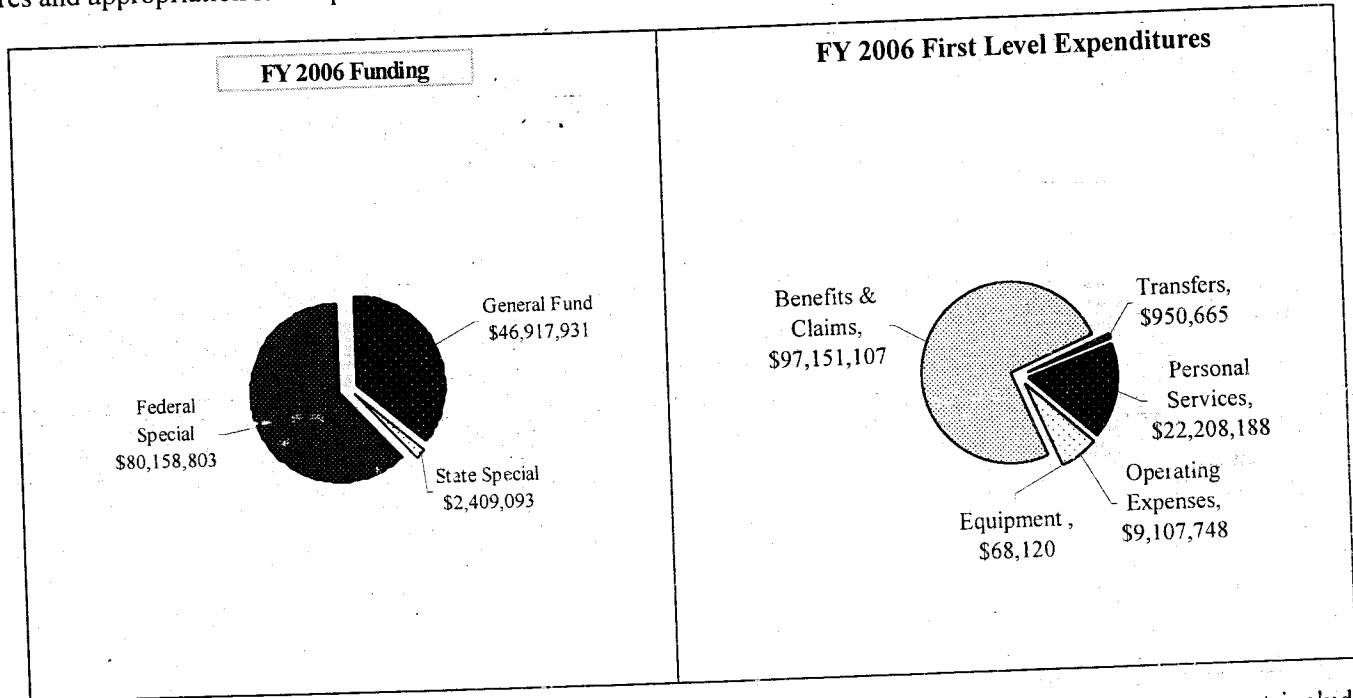
The Disability Services Division is organized into five programs with the following functions:

1. Developmental Disabilities Program (DDP) – DDP serves individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatments similar to those required by someone with mental retardation. Services include community homes, supported living arrangements, respite, day programs, supported employment, transportation, adaptive equipment, nursing services, and family supports. DDP also contracts for a variety of children's services.
2. Montana Developmental Center (MDC) – Located in Boulder, MT, MDC provides for a healthy, safe, therapeutic environment to assist individuals with developmental disabilities prepare for community living. MDC also provides a safety net for those individuals who pose a danger to themselves or others.
3. Vocational Rehabilitation Program (VR) – VR serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities by providing a variety of employment outcome-related services, including counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, independent living services, medical services, job placement, supported employment, and extended employment.
4. Montana Telecommunications Access Program (MTAP) – Administratively located within the VR program, MTAP provides for the telecommunication needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled.
5. Disability Determination Services (DDS) – Administratively located within the VR program, DDS is responsible for medical adjudication of all claims for Social Security Disability Insurance and Supplemental Security Income.



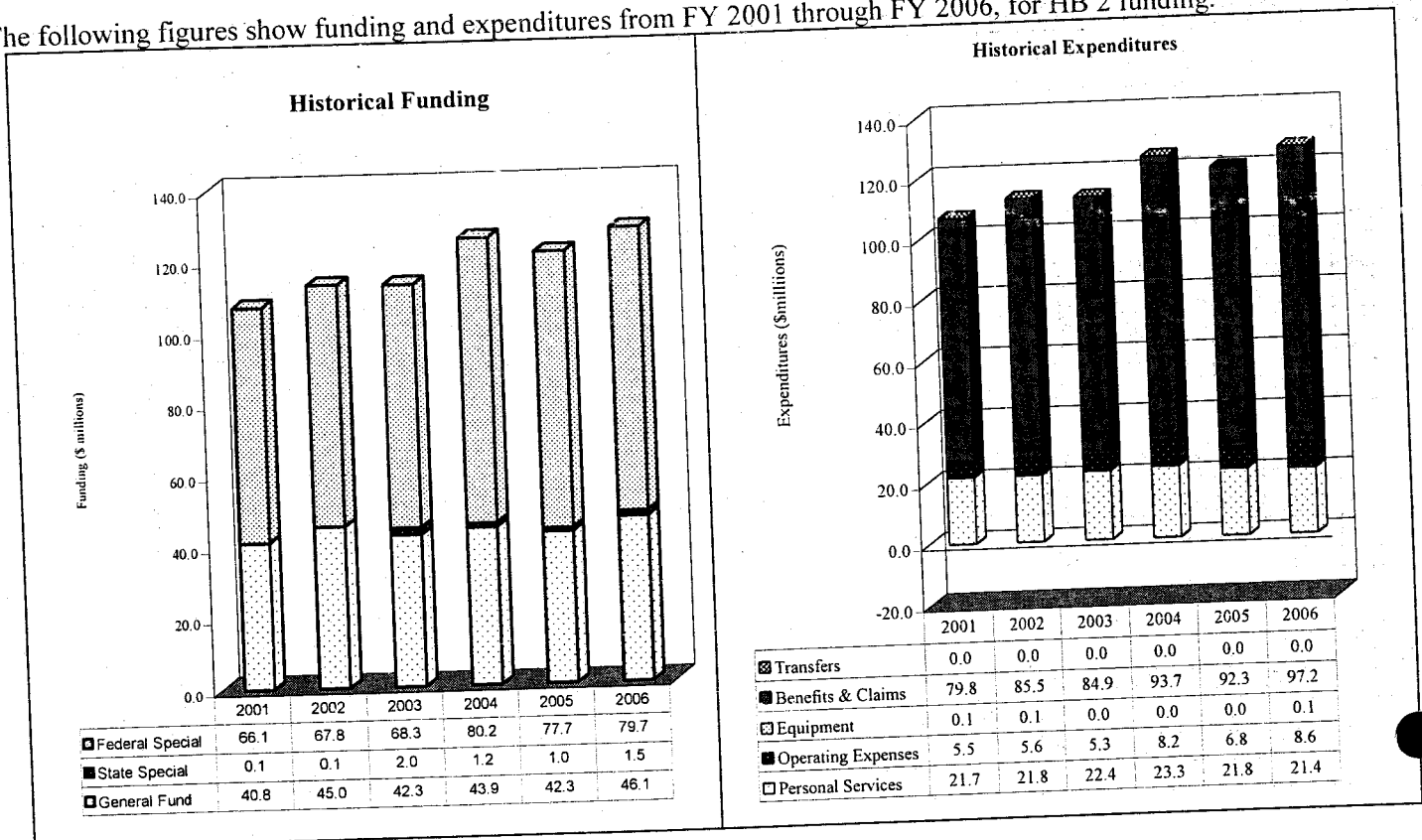
## Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Disability Services Division. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The general increase in expenditures from FY 2001 through FY 2006 resulted from:

- largely from Legislative client benefit appropriations for provider rates and expansion of services;
- largely from finishing refinancing groups of clients from general fund to Medicaid in the developmental disabilities program;
- the division taking on the Montana Telecommunications Access Program (formerly associated with the Director's Office) in FY 2004;
- a minor amount from operational increases (such as rent, utilities, and fixed costs); and
- a minor amount from pay plan increases.

The increased expenditures in FY 2004 resulted from:

- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the closure of Eastmont Human Services Center (the reduction at Eastmont was not equal and offsetting to the increase at MDC since more resources were required at MDC to accommodate the transition);
- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the creation of the Intermediate Care Facility for the Developmentally Disabled (ICF-DD), secure-care unit 104;

## **2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION**

### **Program Expansion**

The Disability Services Division implemented and expanded several programs with general fund, state special revenue, and federal funding in the 2007 biennium.

1. At the beginning of FY 2006, the developmental disabilities program used legislatively appropriated general fund, state special revenue tobacco tax funds (I-149), and federal Medicaid funds to successfully implement a provider rate increase directed towards raising direct care salaries and benefits to the 35<sup>th</sup> percentile (a standardized rate benchmark that is 15% less than the median, as compared to the same labor market in Montana and other similar states).
2. The 2005 Legislature appropriated general fund and federal Medicaid funding to reduce the developmental disabilities community services waiting list by fifteen individuals. The request was funded at the average cost plan amount for intensive individuals (intensive individuals not receiving services are usually the most in need and are usually the first selected through the screening process). As of December 2006, forty individuals have been moved off of the waiting list and screened into community services. More individuals were screened into services as compared to the original funding request since the actual average cost per individual was less than the projected average. The division prioritized this expansion state-wide and determined that some of the individuals most in need were able to receive services in less-costly settings. Even though funding was appropriated for both years of the biennium, the division purposefully waited until mid-FY2007 to implement this expansion. This was done to facilitate the movement of individuals from the Montana Developmental Center to community services and allow the closure of the total care unit ahead of the schedule agreed upon in the Travis D. lawsuit settlement. The timeline of this closure was moved up to relieve some of the budget pressures on the Montana Developmental Center.
3. The vocational rehabilitation (VR) program successfully implemented general fund authority from the 2005 Legislature to expand services in the VR extended employment (EE) program. At the time of the 2005 Session, this additional funding was projected to be sufficient to place half (70 people) of the individuals on the EE waiting list into services. In FY 2006 alone, the division has placed 68 individuals into EE services off the waiting list. The EE waiting list has grown considerably over the course of the 2007 biennium.

4. The 2005 Legislature appropriated general fund for a blind and low vision technology specialist, located within the VR program. The division filled this position in January of 2006, after waiting for the position to be classified and going through two advertising processes. This person has provided training to consumers, consulted with employers, and helped design low-vision work stations.
5. The 2005 Legislature appropriated \$180,000 general fund over the 2007 biennium for expansion of the early intervention (Part C) program within the Developmental Disabilities Program. Part C is an entitlement service, where the state receives a capped federal grant requiring the state to serve all eligible individuals and support the program with maintenance of effort. The division implemented this increase into provider contracts at the beginning of FY 2006 in a manner that provided a greater portion of the increased funding to regions that have experienced higher caseloads, allowing the providers to receive revenue for some of the costs absorbed by the caseload increases.
6. The 2005 Legislature appropriated funding for independent living to provide more services in eastern Montana. During FY 2006 alone, 33 new people received services with a plan; a travel training course was developed and is presented monthly; two people with disabilities were trained and are on Transportation Advisory Councils; and sub-offices were opened and services provided in Miles City and Ashland.
7. The 2005 Legislature funded the Montana Youth Leadership Forum for high school students with disabilities. In the summer of 2005, 14 high school students with disabilities attended a week-long forum on leadership training and disability issues, and in 2006, 16 students attended. After the forum, alumni were provided with other opportunities for leadership development. Five alumni were hired to serve as recruiters/ambassadors to help in the development and implementation of strategies to reach youth with disabilities. In addition, alumni made presentations at 15 events during 2006.

## FTE

The legislature approved a general fund appropriation for an additional 1.00 FTE in the 2007 Biennium for a blind and low vision technology specialist. The following figure shows the position and hire date for the new FTE.

2007 Biennium FTE Hire Dates	FTE	Date
Assistive Technology Specialist	1.00	01/19/2006

## CORRECTIVE ACTION PLANS

The Disability Services Division had three legislative audit recommendations, no federal audit recommendations, and no associated corrective action plans in place during the 2007 biennium. Auditors recommended that the department:

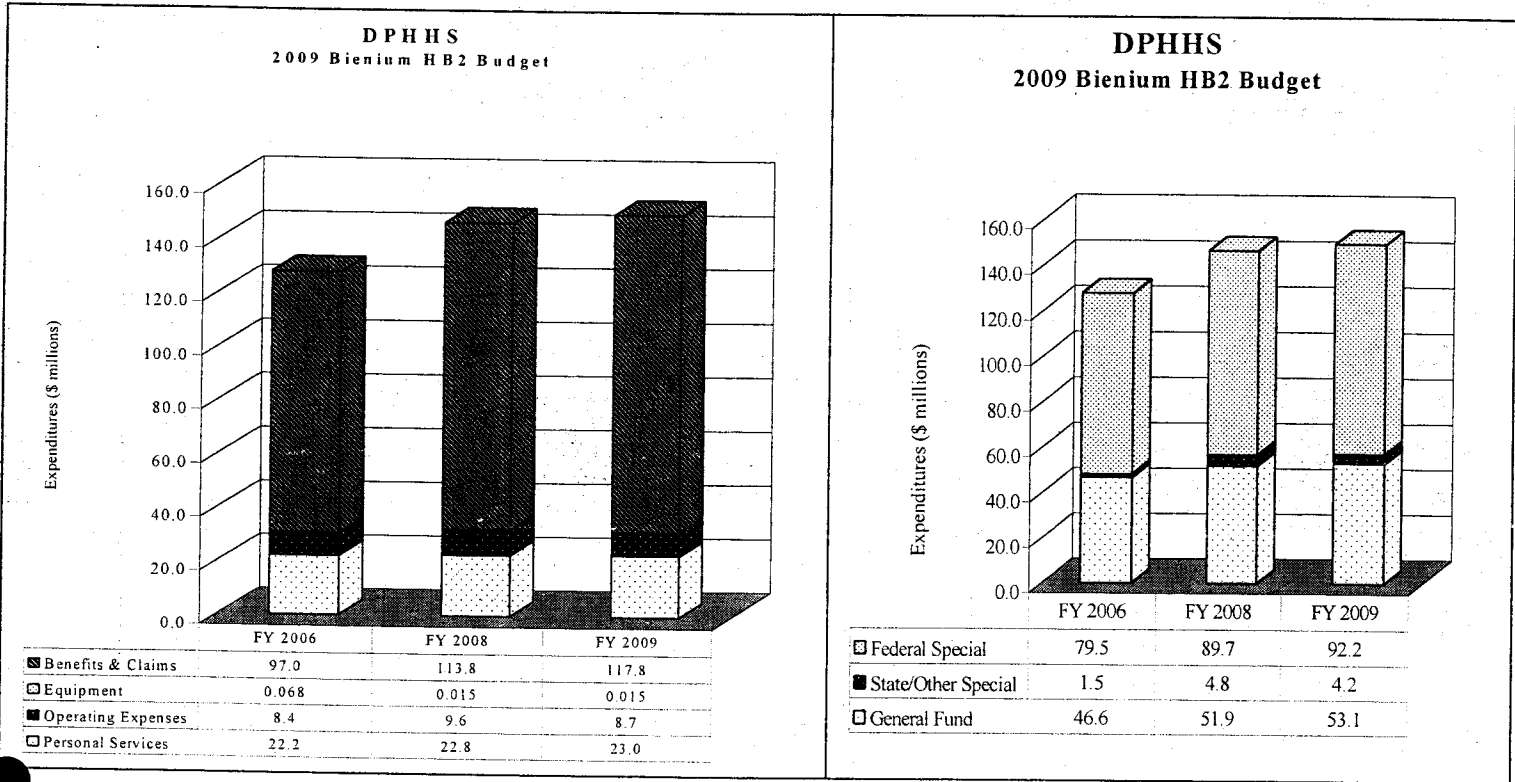
1. charge payroll costs to the proper federal grant year;
2. implement a procedure to review the Vocational Rehabilitation federal grant expenditures (RSA-2) report to ensure the correct expenditures are reported; and
3. communicate management's expectations regarding disability services provider invoice reviews to regional administrative assistants and quality improvement specialists.

The Disability Services Division has implemented the following components in response to the recommendations:

1. The department has strengthened the prevention and detection procedures to ensure all payroll costs are charged to the correct federal year.
2. The division has established a written procedure detailing the preparation and review of the RSA-2 report. Future reports will be prepared and reviewed by two separate employees prior to submission.
3. Division management has clarified its requirements for provider invoice reviews and has communicated its expectations to regional staff in writing.

## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



## Goals and Measurable Objectives

The following figure shows the Disability Services Division base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<b>Developmental Disabilities Program (DDP) Mission:</b> To support choices and opportunities for people with developmental disabilities in their communities.		
1. DDP - Allow individuals with developmental disabilities to be full participants in the planning of their services.	<ul style="list-style-type: none"> <li>By the end of the 2009 biennium, implement Personal Supports Planning (PSP) in all five DDP regions.</li> <li>By July 1, 2007, reduce DDP case management caseloads to an average of 35. (NP 10011 - Rate Rebasing. Pg B-137 in LFD analysis.)</li> </ul>	As of December 2006, <ul style="list-style-type: none"> <li>one out of the five DDP regions is trained in and starting to implement PSP;</li> <li>case management caseloads are at an average of 44.</li> </ul>

2. DDP - Provide DDP community-based services to eligible Montanans with developmental disabilities in the most integrated setting as possible. <u>*Medicaid Objective:</u> Assure that the quality of care meets acceptable standards.	By the end of the 2009 biennium: <ul style="list-style-type: none"> <li>• serve at least 4169 Montanans with developmental disabilities in DDP community-based services.</li> <li>• expand DDP community-based services by at least 50 individuals. (NP 10010 – DDP Wait List Reduction. Pg B-136)</li> <li>• By July 1, 2008, have an approved DDP HCBS waiver renewal by CMS.</li> </ul>	At the beginning of state fiscal year 2007: <ul style="list-style-type: none"> <li>• 4119 Montanans with developmental disabilities were in DDP community-based services.</li> <li>• 474 individuals were on the DDP community-based services waiting list.</li> <li>• CMS is currently reviewing the DDP HCBS waiver status.</li> </ul>
3. DDP - Implement a fair and equitable methodology (transparent rate system) for reimbursement of DDP services. <u>*Medicaid Objective:</u> Assure that services are provided in the most cost effective manner. <u>*Medicaid Objective:</u> Assure that prompt and accurate payments are made to providers.	By the end of the 2009 biennium, implement all five DDP regions in the rate system. <ul style="list-style-type: none"> <li>• By July 1, 2007, implement a minimum wage for DDP direct care employees of at least \$8.00 per hour and increase the average base direct care wage component to \$9.07 per hour. Other components of the standardized rate (employee benefits, program related, and administrative) are percentage factors of the direct care component. (NP 10011 – Rate Rebasing. Pg B-137)</li> <li>• By the end of FY 2008, rewrite the division's contracting, provider payment, and client tracking system to accommodate new business practices.</li> </ul>	In fiscal year 2007, three of the five DDP regions are in the rate system (approx half of the adult clients). Fiscal year 2006 data shows that: <ul style="list-style-type: none"> <li>• There is currently no minimum wage required through provider contracts. The current average base direct care wage component is at \$8.56 per hour.</li> </ul>
4. DDP – To improve the quality of supports to individuals in services through standardized statewide training of direct care employees.	<ul style="list-style-type: none"> <li>• By July 1, 2007, allow funding in the rates for standardized training (3 days College of Direct Supports) for DDP provider-based direct care employees.</li> <li>• By the end of the 2009 biennium, reduce turnover and vacancy rates of DDP provider-based direct care employees. (NP 10011 – Rate Rebasing. Pg B-137)</li> </ul>	<ul style="list-style-type: none"> <li>• As of July 1, 2006, the standardized rate compensates for 2 days of training per direct care employee.</li> <li>• DDP is currently gathering data on turnover and vacancy rates to establish a baseline.</li> </ul>
<u>Montana Developmental Center (MDC) Mission:</u> To improve, preserve, strengthen, and protect the health, well-being, and self-reliance of all individuals served, in an environment that respects and develops those individuals charged with providing services.		
5. Montana Developmental Center (MDC)- Continue to move individuals from MDC to community-based services.	Move all individuals from the total care unit (unit 16AB) to community-based services and close the unit before December 2007, as per the Travis D lawsuit. (PL 10003 – Annualization of Community Service Cost Plans. Pg B-132)	As of January 2007, five of the original 18 individuals remain on unit 16AB.
6. MDC - Maintain Medicaid and ICFDD (Intermediate Care Facility for the Developmentally Disabled) certification. <u>*Medicaid Objective:</u> Assure that the quality of care meets acceptable standards.	Successfully complete annual reviews from state licensing and the federal government (i.e. review of all policies, health and safety, behavioral treatment, staff qualifications, etc.) (PL 10004 – MDC Base Adjustments. Pg B-133)	Both units are currently licensed with no outstanding deficiencies.
<u>Vocational Rehabilitation (VR) Program Mission:</u> Promoting work and independence for Montanans with disabilities.		
7. VR - To meet or exceed all standards and indicators as determined by the federal department of education.	1.1 Number of individuals employed Federal requirement: at least as many as in the previous year	2006 - 909 individuals became employed. Montana VR met the standard.

8. VR - meet or exceed all standards and indicators	1.2 Percent employed—percentage of individuals employed compared to all people who had plans written and were closed (“Rehab Rate”) Federal requirement: at least 55.8%	2006 - The rehabilitation rate was 57.5%. Montana VR met the standard.
9. VR - meet or exceed all standards and indicators	1.3 Employed competitively—percentage of individuals employed who are getting at least minimum wage Federal requirement: at least 72.6%	2006 - 97.5% of individuals employed earned at least minimum wage. Montana VR met the standard.
10. VR - meet or exceed all standards and indicators	1.4 Significant disability—percentage of individuals employed who are earning at least minimum wage who are significantly disabled Federal requirement: at least 62.4%	2006 - 81.7% of individuals employed earning at least minimum wage were significantly disabled. Montana VR met the standard.
11. VR - meet or exceed all standards and indicators	1.5 Earnings ratio—average hourly rate of individuals employed who are earning at least minimum wage divided by the state’s average hourly earnings for all employed people Federal requirement: at least .52	2006 - 0.75 is the calculated ratio. Montana VR met the standard.
12. VR - meet or exceed all standards and indicators	1.6 Self supporting—looking at all individuals employed who are earning at least minimum wage, this item is the difference between the percent of people who reported their own income as their largest source of support at closure and at application Federal requirement: at least 53.0	2006 - 55.2 is Montana’s calculation. Montana VR met the standard.
13. VR - meet or exceed all standards and indicators	2 Equal access/Minority ratio—service rate for minorities as a ratio to the service rate for non-minorities. The service rate is defined as the number of people who exited the VR program after receiving services divided by the total number of people exiting the program. Federal requirement: at least .80	2006 - 0.87 is Montana’s ratio. Montana VR met the standard.
14. VR – To help students with disabilities transition from school to work.	Recruit 20 high school students with disabilities to complete the Montana Youth Leadership Forum (MYLF) week-long training program in each year of the 2009 biennium. Each student will complete a vocational and leadership plan. For each student that completes the training, MYLF will provide one-year of resources and supports that will assist students in reaching their vocational and leadership goals. (DP 10009 – MYLF. Pg B-136)	In FY 2006, MYLF recruited 22 students to attend the week-long training. 16 students completed the training.
<u>Montana Telecommunications Access Program (MTAP) Mission:</u> To improve the quality of life for all Montanans through education, innovation, and technology by enhancing communication options.		
15. MTAP – Assure access to traditional relay, captioned telephone relay, video relay, and internet protocol relay services. Distribute telephone equipment to Montanans with disabilities who qualify for this program.	<ul style="list-style-type: none"> <li>• Provide 493,925 relay minutes in fiscal year 2008 and 506,156 relay minutes in fiscal year 2009.</li> <li>• Distribute 797 pieces of equipment in fiscal year 2008 and an additional 824 pieces of equipment in fiscal year 2009.</li> </ul>	<ul style="list-style-type: none"> <li>• In SFY 2006, provided 531,264 relay minutes.</li> <li>• In SFY 2006, distributed 744 pieces of equipment.</li> </ul>
<u>Disability Determination Services (DDS) Mission:</u> To adjudicate Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims in a timely, cost efficient, accurate, and respectful manner.		
16. DDS - Meet the national standards for accuracy, quality, processing time, production per work year and pending caseloads.	<ul style="list-style-type: none"> <li>• Adjudicate 7,500 initial claims for disability benefits in federal fiscal year 2008 and 8,000 initial claims in federal fiscal year 2009.</li> <li>• Ending year goal of 1440 initial claims pending.</li> <li>• 93 days processing time</li> </ul> (DP 10007 – DDS Base Adjustments. Pg B-134)	In federal fiscal year 2006: <ul style="list-style-type: none"> <li>• Adjudicated 6,800 initial claims</li> <li>• 1647 initial claims pending at year-end</li> <li>• 93 days processing time</li> <li>• Completed the transition to the electronic process</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

### Significant Budget Requests:

- NP 10011 - DD Rate Rebasing. (Pg B-137 of the LFD Analysis.) Rebase standardized rates for Developmental Disabilities Program community-based services. (see goal # 1, 3, and 4 on page 6)
- NP 10010 - DD Wait List Reduction. (Pg B-136) Expand Developmental Disabilities Program community-based services by at least 50 individuals in FY 2008 and an additional 25 in FY 2009. (see goal # 2)
- PL 10003 - Annualization of Community Services Cost Plans. (Pg B-132) Reduce the population at the Montana Developmental Center and close the total-care unit. Support cost plans for these individuals in community-based services. (see goal # 5)
- NP 10018 - MTAP new technologies. (Pg B-138) Continue to provide access to telecommunications for individuals that are deaf or hard of hearing, for services such as video relay and internet protocol. (see goal # 15)

### Other Budget Requests:

- PL 10001 - Adjust I-149 Funding. (Pg B-131) Adjusts base year expenditure levels to FY 2007 ongoing levels for I-149 funding.
- PL 10002 - FMAP Adjustment. (Pg B-132) Increases general fund with an equal and offsetting reduction in federal Medicaid funds to account for the decreasing change in the Federal Medical Assistance Percentage (FMAP).
- PL 10004 - MDC Base Adjustments. (Pg B-133) Re-establishes funding at the Montana Developmental Center (MDC) for zero-based personal services costs, such as overtime, holiday, and differential pay. MDC is a 24-7 facility. (see goal # 6)
- PL 10005 - DSD Rent for non-state facilities. (Pg B-134) This funding request is for rent increases for offices in non-Department of Administration buildings for the Developmental Disabilities and Vocational Rehabilitation programs. The increases are built into the lease agreements for field offices.
- PL 10007 - Disability Determination Services Base Adjustment. (Pg B-134) This decision package requests an increase of \$395,762 in federal funds over the biennium for Disability Determination Services workload increase.
- PL 10008 - VR Tuition Increases. (Pg B-135) This decision package requests \$100,596 of general fund and \$371,683 of federal funds over the biennium to provide for a 5% tuition increase each year from FY 2007 through FY 2009 for non state schools only, and no increase for state schools. The funds, which are a portion of the Vocational Rehabilitation benefits, will offset increases in tuition costs and maintain current level services that assist individuals with disabilities in returning to work. (see goal # 11 and 12)
- PL 10020 - Health Services Accounts. (Pg B-135) SB 433 of the 2005 Session appropriated \$16,000 state special revenue to DSD for a Medicaid pilot program to create waiver services accounts for individuals with developmental disabilities. The pilot program did not start until the second year of the 2007 biennium. This request adds the authority back into the division's budget. (see goal # 1)
- NP 10009 - Montana Youth Leadership Forum (MYLF). (Pg B-136) This decision package is a request to support the Montana Youth Leadership Forum (MYLF) for disabled youth, including Indian students on Montana reservations. It is a request for \$100,000 in general funds over the biennium. (see goal # 14)
- NP 10016 - DD Crisis Funding - Restores OTO. (Pg B-138) The Travis D settlement calls for \$200,000 of general fund, continuous crisis funding. \$80,000 of this amount is in the division's base budget. This decision package requests \$120,000 general fund per year over the biennium, which the 2005 Legislature previously provided as one-time-only funding. (see goal # 2 and 5)
- NP 10021 - Developmental Disabilities Program - Fed Authority. (Pg B-139) This request is for \$2 million of additional federal authority for the biennium to provide the appropriation authority for increases in federal grants or maximize general funds under the Home and Community Based Waiver.
- NP 10026 - VR Transition Counselor. (Pg B-139) This decision package is a request for 1.00 FTE, vocational rehabilitation counselor to be located in a local school district who will assist in identifying students and coordinating available services. This request is part of the initiative to Improve Outcomes for Young Adults with Disabilities. This is a budget request for \$107,167 general fund over the biennium. (see goal # 7)
- NP 10501 - Provider Rate Increases. (Pg B-139) This decision package requests increases for provider rates by 2.5% for the biennium. This excludes rates for Developmental Disability Program services as funding for those services is requested in NP 10011 - DD Rate Rebasing.

## SIGNIFICANT ISSUES EXPANDED

### NP 10011 - DD Rate Rebasing.

This request is for \$18 million total funds, \$3.4 million general fund and \$3.9 million in state special revenue funds over the biennium to support the rebasing of the developmental disability program provider rates.

- During SFY 2006 and SFY 2007 the DD Program implemented the rate system in regions 1, 2, & 3 (Eastern Montana). That experience, and a comprehensive influx of provider cost information, leads DDP to request additional funding for SFY 2008 and 2009 to further increase the base wage rate portion of the standardized rate.
- As of July 1, 2007, contractors who provide Day, Group Home, and Supported Living services to adults will see the standardized base wage rate increase from \$8.56 per hour to \$9.07 per hour within the base geographic areas. This represents an increase of \$5,965,780 in SFY 2008 and an increase of \$5,965,780 in SFY 2009. (Increases are not compounded on top of each other.) With this funding, DDP will implement a minimum wage of at least \$8.00 per hour for DDP provider-based direct care staff.
- The DDP contractors who provide early intervention (Part C) and general fund Family Education and Support Services (FESS) will see an increase of \$253,705 in SFY 2008 and \$320,542 in SFY 2009, as compared to base-year amounts. This will serve an additional 42 children with disabilities in FY 2008 and 53 in FY 2009 as compared to FY 2006 service levels. Part C is an entitled program. DDP is requesting adequate funding to maintain growth of the program.
- The DDP contractors who provide Case Management (CM) services to adults will see an increase of \$1,966,349 in SFY 2008 and \$1,966,349 in SFY 2009, not compounded. The base wage component will increase from \$12.75 per hour to \$15.096 per hour based on actual wage data provided by the CM contractors. The Employee Related Expenses (ERE) were increased to the standard percent in the adult services rate system. The major factor increasing this cost was a reduction in the CM average caseload from about 45 cases per case manager to an average of 35 cases per case manager. The monthly unit rate increases from \$111.26 to \$167.72. The increased rate will fund 12 additional contracted case managers. The increased responsibilities of case managers, with the development of individual cost plans and personal support plans (both directed by CMS and the Travis D lawsuit settlement), has resulted in an overload of case management duties. Case managers perform a critical role in the delivery of DD community services. This funding helps DDP to realize the goal of community integration for individuals with DD.
- This rebasing package funds the cost of the College of Direct Supports tuition and paid time for direct care employees' on-line certification for a total cost of \$351,129 each year. It is DDP's goal to provide quality services and have better retention of direct care workers. The possibility of reaching these goals is enhanced by the standardized training enabled by this funding.

### NP 10010 - DD Wait List Reduction.

This request is for \$11.4 million total funds, \$4 million general fund over the biennium to support community services for individuals currently on the developmental disability community services waiting list and for other individuals expected to need services in the next biennium.

- There are approximately 500 individuals on the waiting list for DD community services that are currently receiving no services. The DSD requests \$4.4 million (\$1.4 million general fund) over the biennium to move approximately 25 individuals with no services off the waiting list and into community services in the next biennium.
- There are other individuals that are on a waiting list for more services, as they will be transitioning out of their current services (i.e. children aging out of intensive Medicaid waiver services and kids with developmental disabilities aging out of foster care services, such as from Brownschool Texas Neuro or Intermountain Children's Home). The program requests funding of \$6.2 million (\$2.0 million general fund) over the biennium to support adult cost plans for approximately an additional 25 individuals who will transition to DDP services each year in the next biennium.
- More individuals in services would also require resources to accommodate the growth. DSD requests funding for additional contracted case managers each year; \$0.25 million (\$81,000 general fund) over the biennium. DSD also requests \$0.2 million general fund for the biennium for grants to providers, either existing or new providers, for start up costs associated with either system expansion or with transitions from institutional to community services. Additionally, DSD requests \$392,800 in general funds to provide opportunities to pilot projects



identified by the transition task force team and Transition Solutions, which will enable state agencies and other groups to work together improving outcomes for youth transitioning from school to young adulthood.

### **PL 10003 - Annualization of Community Services Cost Plans.**

This request is for \$4.7 million total funds, \$1.4 million general fund over the biennium to support annualized cost plans for individuals already in developmental disability community services.

- The Developmental Disabilities Program (DDP) has moved 13 individuals from the Montana Developmental Center (MDC) unit 16AB into community services by December 2006, and expects to remove all remaining individuals by March of 2007. MDC will then close the unit. There are no expenditures in the base year FY 2006 in the DDP budget to support these ongoing community-based cost plans. Also, unit 16AB HB2 positions were transferred to modified positions before the snapshot, so the personal services funding doesn't appear in MDC in FY 2008 and FY 2009 to be able to transfer to community services. This request funds the annualized community service cost plans for these unit 16AB individuals. Including the reduction already present in the adjusted base for MDC, this portion of the decision package has a positive impact to the general fund balance of almost \$550,000 over the biennium.
- Wait-list funds from the 2005 Session are being used to take individuals off the waiting list and place them into community service settings in FY 2006 and FY 2007. DDP did not spend all of the FY 2006 funds in the base year, due to the inability to sustain both wait-list and 16AB individuals' community service cost plans through FY 2007. This request is for \$1.1 million in all funds, \$270,000 general fund over the biennium to support the remainder of the wait-list individuals' annualized cost plans.

### **NP 10018 - MTAP new technologies.**

DSD requests \$1,065,000 state special revenue authority for the Montana Telecommunications Access Program (MTAP), in the event that the federal government mandates that the states pay for new technologies. DSD predicts that the federal mandate will come with advance notice of at least 18 months.

- At this time, the known new technologies are Video Relay Service (VRS) and Internet Protocol Relay (IP Relay). VRS facilitates phone calls between an individual who uses sign language and a hearing individual that knows sign language at all. Using the Internet, video of the sign language user is transmitted to a sign interpreter, who then voices the call aloud for the hearing party. Internet Protocol Relay (IP Relay) also uses the internet, but in this case text is transmitted rather than video. Individuals who are Deaf use a computer connected to the internet to send text to an operator who will then speak that message aloud for the hearing party to the call.
- These new technologies are the latest developments in telecommunications for individuals who are Deaf. The federal government currently funds them, but the states will be required to assume this service at some point in the future.
- These services come closer than anything before to providing functional equivalence between telecommunications for individuals who are Deaf and telecommunications for those who hear. Providing such functional equivalence is a fundamental goal of the Americans with Disabilities Act, and one of the fundamental purposes of MTAP.
- This EPP proposal requests a restricted appropriation using MTAP's state special revenue account fund balance. This appropriation would be a contingency, accessed only if the FCC ruled that the states would now be required to pay for VRS and IP Relay. The requested amount for this appropriation, if accessed, would leave a projected fund balance at the end of SFY 2009 of approximately \$200,000.

## DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

### Disability Services Division, Developmental Disabilities Program

#### DEVELOPMENTAL DISABILITIES PROGRAM CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Program Director	Jeff Sturm	444-2695	jesturm@mt.gov
Division Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

#### WHAT THE DEVELOPMENTAL DISABILITIES PROGRAM DOES

The DDP is organized into a central office and five regional offices with four satellite offices.

- The Central Office provides statewide management and supervision, program fiscal operations and budgeting, policy direction, quality assurance, provider payment processing, and federal reporting functions.
- 5 regional and 4 satellite offices across the State oversee 54 service provider agencies that provide services to over 4,000 individuals. The Regional staff performs billing and invoicing, quality assurance monitoring, and case management functions.

#### Statutory Authority For the Developmental Disabilities Program

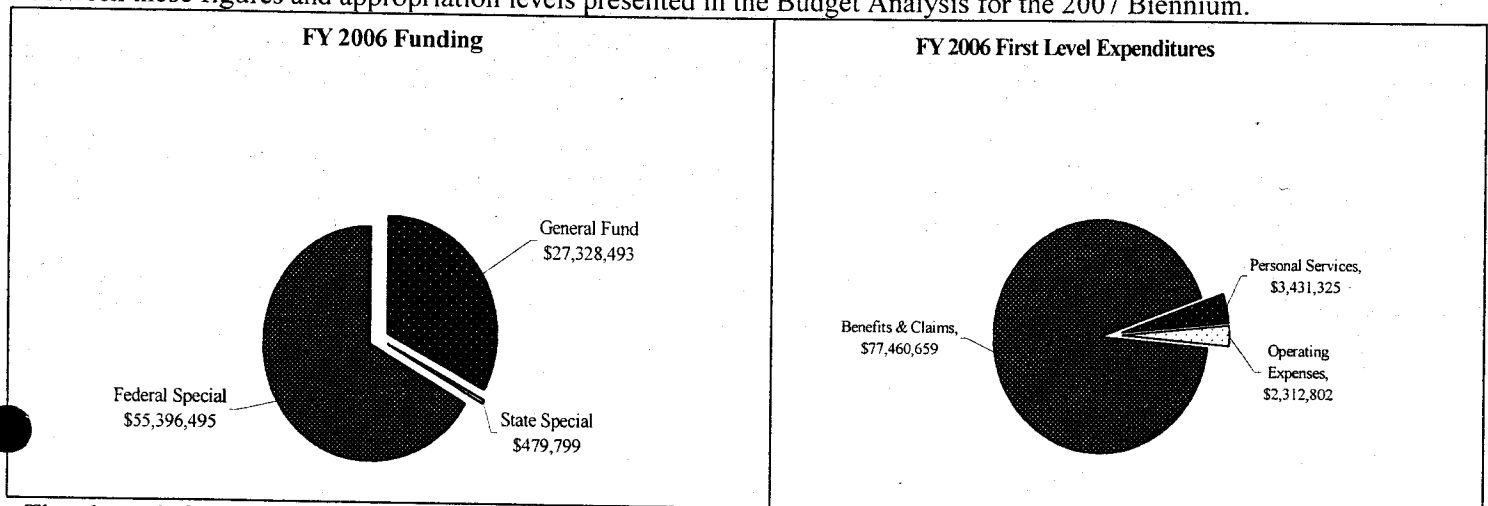
Statutory authority for the division comes from: 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796 et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CFR Part 303.

#### HOW DEVELOPMENTAL DISABILITIES PROGRAM SERVICES ARE PROVIDED

The Developmental Disabilities Program contracts with private corporations (for-profit and non-profit) to provide comprehensive services to individuals with developmental disabilities, ages birth and up. These service programs are located in communities throughout Montana and provide an array of residential and work opportunities for adults and home-based family education and support services for children and their families, based upon individual preferences, needs, and abilities. Currently, over 4,000 people receive one or more community-based services funded through the Developmental Disabilities Program.

#### Spending and Funding Information

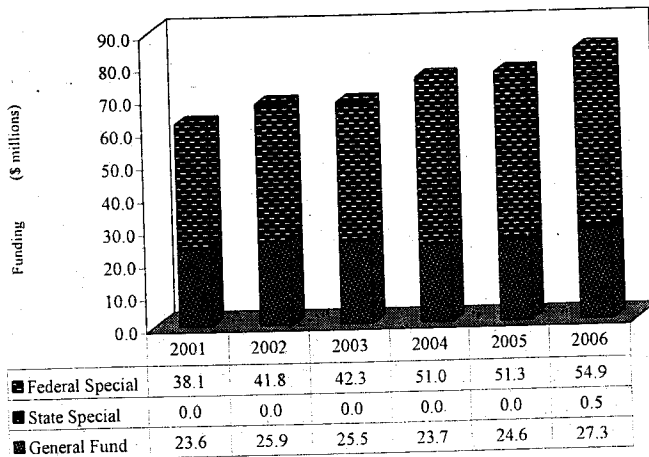
The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Developmental Disabilities Program. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



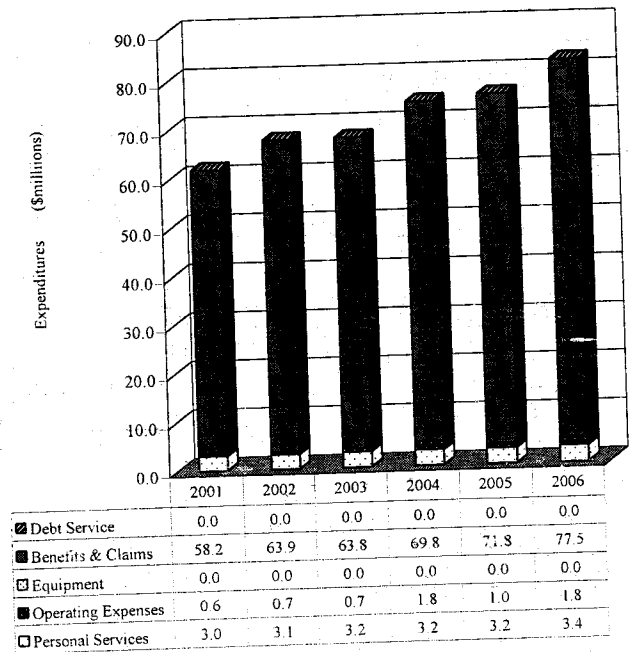
The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.

Historical Funding



Historical Expenditures



The general increase in expenditures from FY 2001 through FY 2006 resulted from:

- largely from Legislative client benefit appropriations for provider rates and expansion of services;
- largely from finishing refinancing groups of clients from general fund to Medicaid in the developmental disabilities program;
- minor amount from operational increases (such as rent, utilities, and fixed costs);
- minor amount from pay plan increases.

## 2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

### Program Expansion

The Developmental Disabilities Program implemented and expanded several programs with general fund, state special revenue, and federal funding in the 2007 biennium.

1. At the beginning of FY 2006, the developmental disabilities program used legislatively appropriated general fund, state special revenue tobacco tax funds (I-149), and federal Medicaid funds to successfully implement a provider rate increase directed towards raising direct care salaries and benefits to the 35<sup>th</sup> percentile (a standardized rate benchmark that is 15% less than the median, as compared to the same labor market in Montana and other similar states).
2. The 2005 Legislature appropriated general fund and federal Medicaid funding to reduce the developmental disabilities community services waiting list by fifteen individuals. The request was funded at the average cost plan amount for intensive individuals (intensive individuals not receiving services are usually the most in need and are usually the first selected through the screening process). As of December 2006, forty individuals have been moved off of the waiting list and screened into community services. More individuals were screened into services as compared to the original funding request since the actual average cost per individual was less than the projected average. The division prioritized this expansion state-wide and determined that some of the individuals most in need were able to receive services in less-costly settings. Even though funding was appropriated for both years of the biennium, the division purposefully waited until mid-FY2007 to implement this expansion. This was done to facilitate the movement of individuals from the Montana Developmental Center to community services.

and allow the closure of the total care unit ahead of the schedule agreed upon in the Travis D. lawsuit settlement. The timeline of this closure was moved up to relieve some of the budget pressures on the Montana Developmental Center.

- The 2005 Legislature appropriated \$180,000 general fund over the 2007 biennium for expansion of the early intervention (Part C) program within the Developmental Disabilities Program. Part C is an entitlement service, where the state receives a capped federal grant requiring the state to serve all eligible individuals and support the program with maintenance of effort. The division implemented this increase into provider contracts at the beginning of FY 2006 in a manner that provided a greater portion of the increased funding to regions that have experienced higher caseloads, allowing the providers to receive revenue for some of the costs absorbed by the caseload increases.

## FTE

No new FTE were approved for Developmental Disabilities Program during the 2007 Biennium.

## CORRECTIVE ACTION PLANS

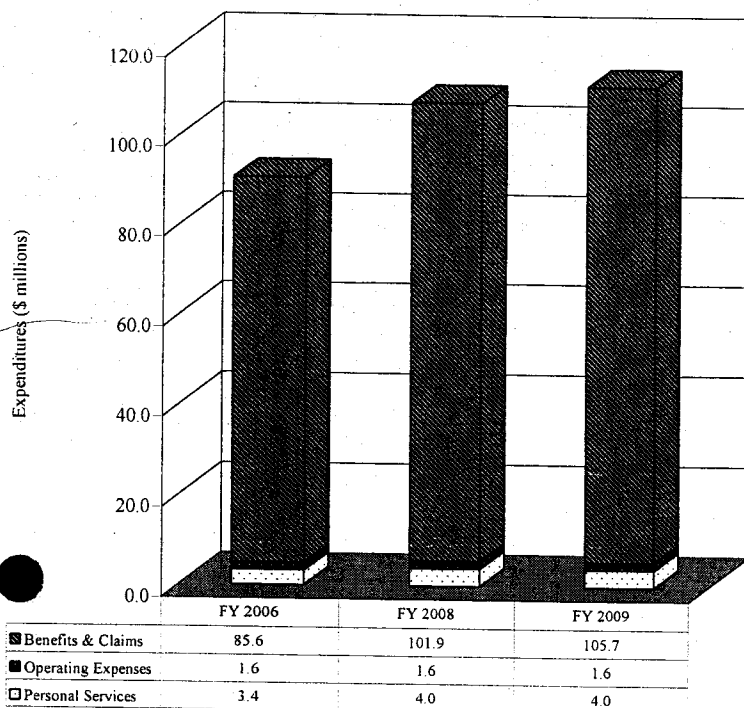
The Developmental Disabilities Program had one legislative audit recommendation, no federal audit recommendations, and no associated corrective action plans in place during the 2007 biennium. Auditors recommended that the department: communicate management's expectations regarding disability services provider invoice reviews to regional administrative assistants and quality improvement specialists.

The Disability Services Division has implemented the following components in response to the recommendations: Division management has clarified its requirements for provider invoice reviews and communicated their expectations to regional staff in writing.

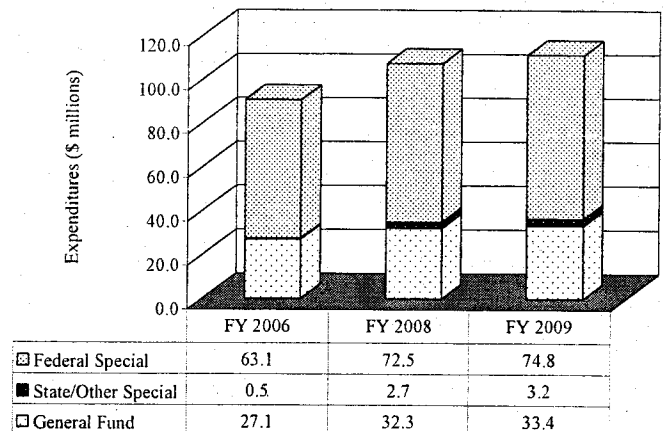
## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.

DPHHS  
2009 Biennium HB2 Budget



DPHHS  
2009 Biennium HB2 Budget



## Goals and Measurable Objectives

The following figure shows the Disability Services Division base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<b>Developmental Disabilities Program (DDP)</b> <b>Mission:</b> To support choices and opportunities for people with developmental disabilities in their communities.		
1. DDP - Allow individuals with developmental disabilities to be full participants in the planning of their services.	<ul style="list-style-type: none"> <li>By the end of the 2009 biennium, implement Personal Supports Planning (PSP) in all five DDP regions.</li> <li>By July 1, 2007, reduce DDP case management caseloads to an average of 35. (NP 10011 - Rate Rebasing. Pg B-137 in LFD analysis.)</li> </ul>	As of December 2006, <ul style="list-style-type: none"> <li>one out of the five DDP regions is trained in and starting to implement PSP;</li> <li>case management caseloads are at an average of 44.</li> </ul>
2. DDP - Provide DDP community-based services to eligible Montanans with developmental disabilities in the most integrated setting as possible. * <b>Medicaid Objective:</b> Assure that the quality of care meets acceptable standards.	By the end of the 2009 biennium: <ul style="list-style-type: none"> <li>serve at least 4169 Montanans with developmental disabilities in DDP community-based services.</li> <li>expand DDP community-based services by at least 50 individuals. (NP 10010 - DDP Wait List Reduction. Pg B-136)</li> <li>By July 1, 2008, have an approved DDP HCBS waiver renewal by CMS.</li> </ul>	At the beginning of state fiscal year 2007: <ul style="list-style-type: none"> <li>4119 Montanans with developmental disabilities were in DDP community-based services.</li> <li>474 individuals were on the DDP community-based services waiting list.</li> <li>CMS is currently reviewing the DDP HCBS waiver status.</li> </ul>
3. DDP - Implement a fair and equitable methodology (transparent rate system) for reimbursement of DDP services. * <b>Medicaid Objective:</b> Assure that services are provided in the most cost effective manner. * <b>Medicaid Objective:</b> Assure that prompt and accurate payments are made to providers.	By the end of the 2009 biennium, implement all five DDP regions in the rate system. <ul style="list-style-type: none"> <li>By July 1, 2007, implement a minimum wage for DDP direct care employees of at least \$8.00 per hour and increase the average base direct care wage component to \$9.07 per hour. Other components of the standardized rate (employee benefits, program related, and administrative) are percentage factors of the direct care component. (NP 10011 - Rate Rebasing. Pg B-137)</li> <li>By the end of FY 2008, rewrite the division's contracting, provider payment, and client tracking system to accommodate new business practices.</li> </ul>	In fiscal year 2007, three of the five DDP regions are in the rate system (approx half of the adult clients). Fiscal year 2006 data shows that: <ul style="list-style-type: none"> <li>There is currently no minimum wage required through provider contracts. The current average base direct care wage component is at \$8.56 per hour.</li> </ul>
4. DDP - To improve the quality of supports to individuals in services through standardized statewide training of direct care employees.	<ul style="list-style-type: none"> <li>By July 1, 2007, allow funding in the rates for standardized training (3 days College of Direct Supports) for DDP provider-based direct care employees.</li> <li>By the end of the 2009 biennium, reduce turnover and vacancy rates of DDP provider-based direct care employees. (NP 10011 - Rate Rebasing. Pg B-137)</li> </ul>	<ul style="list-style-type: none"> <li>As of July 1, 2006, the standardized rate compensates for 2 days of training per direct care employee.</li> <li>DDP is currently gathering data on turnover and vacancy rates to establish a baseline.</li> </ul>

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the FY 2008 – 2009 Disability Services Division budget submission to the Governor's Office.

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## SIGNIFICANT ISSUES EXPANDED

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- As of July 1, 2007, contractors who provide Day, Group Home, and Supported Living services to adults will see the standardized base wage rate increase from \$8.56 per hour to \$9.07 per hour within the base geographic areas. This represents an increase of \$5,965,780 in SFY 2008 and an increase of \$5,965,780 in SFY 2009. (Increases are not compounded on top of each other.) With this funding, DDP will implement a minimum wage of at least \$8.00 per hour for DDP provider-based direct care staff.
- The DDP contractors who provide early intervention (Part C) and general fund Family Education and Support Services (FESS) will see an increase of \$253,705 in SFY 2008 and \$320,542 in SFY 2009, as compared to base-year amounts. This will serve an additional 42 children with disabilities in FY 2008 and 53 in FY 2009 as compared to FY 2006 service levels. Part C is an entitled program. DDP is requesting adequate funding to maintain growth of the program.
- The DDP contractors who provide Case Management (CM) services to adults will see an increase of \$1,966,349 in SFY 2008 and \$1,966,349 in SFY 2009, not compounded. The base wage component will increased from \$12.75 per hour to \$15.096 per hour based on actual wage data provided by the CM contractors. The Employee Related Expenses (ERE) were increased to the standard percent in the adult services rate system. The major factor increasing this cost was a reduction in the CM average caseload from about 45 cases per case manager to an

average of 35 cases per case manager. The monthly unit rate increases from \$111.26 to \$167.72. The increased rate will fund 12 additional contracted case managers. The increased responsibilities of case managers, with the development of individual cost plans and personal support plans (both directed by CMS and the Travis D lawsuit settlement), has resulted in an overload of case management duties. Case managers perform a critical role in the delivery of DD community services. This funding helps DDP to realize the goal of community integration for individuals with DD.

- This rebasing package funds the cost of the College of Direct Supports tuition and paid time for direct care employees' on-line certification for a total cost of \$351,129 each year. It is DDP's goal to provide quality services and have better retention of direct care workers. The possibility of reaching these goals is enhanced by the standardized training enabled by this funding.

#### **NP 10010 - DD Wait List Reduction.**

This request is for \$11.4 million total funds, \$4 million general fund over the biennium to support community services for individuals currently on the developmental disability community services waiting list and for other individuals expected to need services in the next biennium.

- There are approximately 500 individuals on the waiting list for DD community services that are currently receiving no services. The DSD requests \$4.4 million (\$1.4 million general fund) over the biennium to move approximately 25 individuals with no services off the waiting list and into community services in the next biennium.
- There are other individuals that are on a waiting list for more services, as they will be transitioning out of their current services (i.e. children aging out of intensive Medicaid waiver services and kids with developmental disabilities aging out of foster care services, such as from Brownschool Texas Neuro or Intermountain Children's Home). The program requests funding of \$6.2 million (\$2.0 million general fund) over the biennium to support adult cost plans for approximately an additional 25 individuals who will transition to DDP services each year in the next biennium.
- More individuals in services would also require resources to accommodate the growth. DSD requests funding for additional contracted case managers each year; \$0.25 million (\$81,000 general fund) over the biennium. DSD also requests \$0.2 million general fund for the biennium for grants to providers, either existing or new providers for start up costs associated with either system expansion or with transitions from institutional to community services. Additionally, DSD requests \$392,800 in general funds to provide opportunities to pilot projects identified by the transition task force team and Transition Solutions, which will enable state agencies and other groups to work together improving outcomes for youth transitioning from school to young adulthood.

#### **PL 10003 - Annualization of Community Services Cost Plans.**

This request is for \$4.7 million total funds, \$1.4 million general fund over the biennium to support annualized cost plans for individuals already in developmental disability community services.

- The Developmental Disabilities Program (DDP) has moved 13 individuals from the Montana Developmental Center (MDC) unit 16AB into community services by December 2006, and expects to remove all remaining individuals by March of 2007. MDC will then close the unit. There are no expenditures in the base year FY 2006 in the DDP budget to support these ongoing community-based cost plans. Also, unit 16AB HB2 positions were transferred to modified positions before the snapshot, so the personal services funding doesn't appear in MDC in FY 2008 and FY 2009 to be able to transfer to community services. This request funds the annualized community service cost plans for these unit 16AB individuals. Including the reduction already present in the adjusted base for MDC, this portion of the decision package has a positive impact to the general fund balance of almost \$550,000 over the biennium.
- Wait-list funds from the 2005 Session are being used to take individuals off the waiting list and place them into community service settings in FY 2006 and FY 2007. DDP did not spend all of the FY 2006 funds in the base year, due to the inability to sustain both wait-list and 16AB individuals' community service cost plans through FY 2007. This request is for \$1.1 million in all funds, \$270,000 general fund over the biennium to support the remainder of the wait-list individuals' annualized cost plans.

## DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

Disability Services Division, Montana Developmental Center

### MONTANA DEVELOPMENTAL CENTER CONTACTS

<u>Title</u>	<u>Name</u>	<u>Phone Number</u>	<u>E-mail address</u>
Division Administrator	Joe Mathews	444-2591	jmathews@mt.gov
Developmental Disability Program Director	Jeff Sturm	444-2695	jsturm@mt.gov
Superintendent	Kathy Zeeck	225-4400	kzeeck@mt.gov
Division Finance Manager	Matt Bugni	444-5482	mabugni@mt.gov

### WHAT THE MONTANA DEVELOPMENTAL CENTER DOES

The MDC, located in Boulder MT, provides for a healthy, safe, therapeutic environment to assist individuals with developmental disabilities prepare for community living. MDC also provides a safety net for those individuals who pose a danger to themselves or others.

The MDC is licensed by Medicaid as an ICF/MR (Intermediate Care Facility for Mental Retardation) and by the State of Montana as an ICF/DD (Intermediate Care Facility for Developmental Disabilities) and currently houses 72 individuals.

### Statutory Authority For the Montana Developmental Center

Statutory authority for the division comes from: 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796 et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CFR Part 303.

### HOW SERVICES ARE PROVIDED

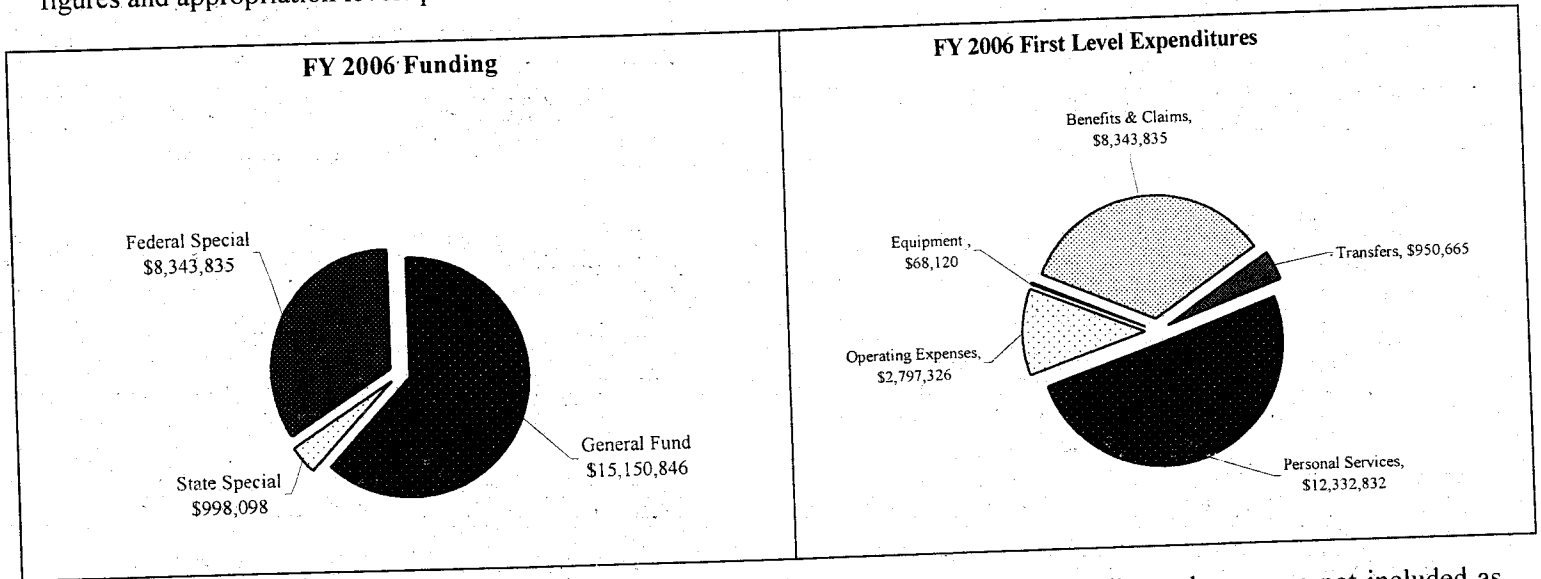
The Montana Developmental Center is organized into 6 departments/bureaus under the oversight of the superintendent with the following functions:

1. Administrative Services – Oversees Human Services, Administrative Support, Nutrition Services, Occupational Safety and Health Specialist, and Staff Development Services
2. Physical Services – Oversees Accounting, Payroll, and Materials Management
3. Client Services – Oversees Human Services, Vocational Services, Recreation Services and Residences 1 & 4, 2 & 6
4. Client Services – Oversees Psychology Services, Occupational and Physical Therapy, Communication Services, and Residences 16AB, 3 & 5, and 104R & 104W
5. Clinical Services – Oversees Nursing Services, Contracted Medical Services, Therapists, Physicians, Dental Services and Clinical Records
6. Environmental Services – Oversees Custodial Services, Maintenance Services, and Laundry Services



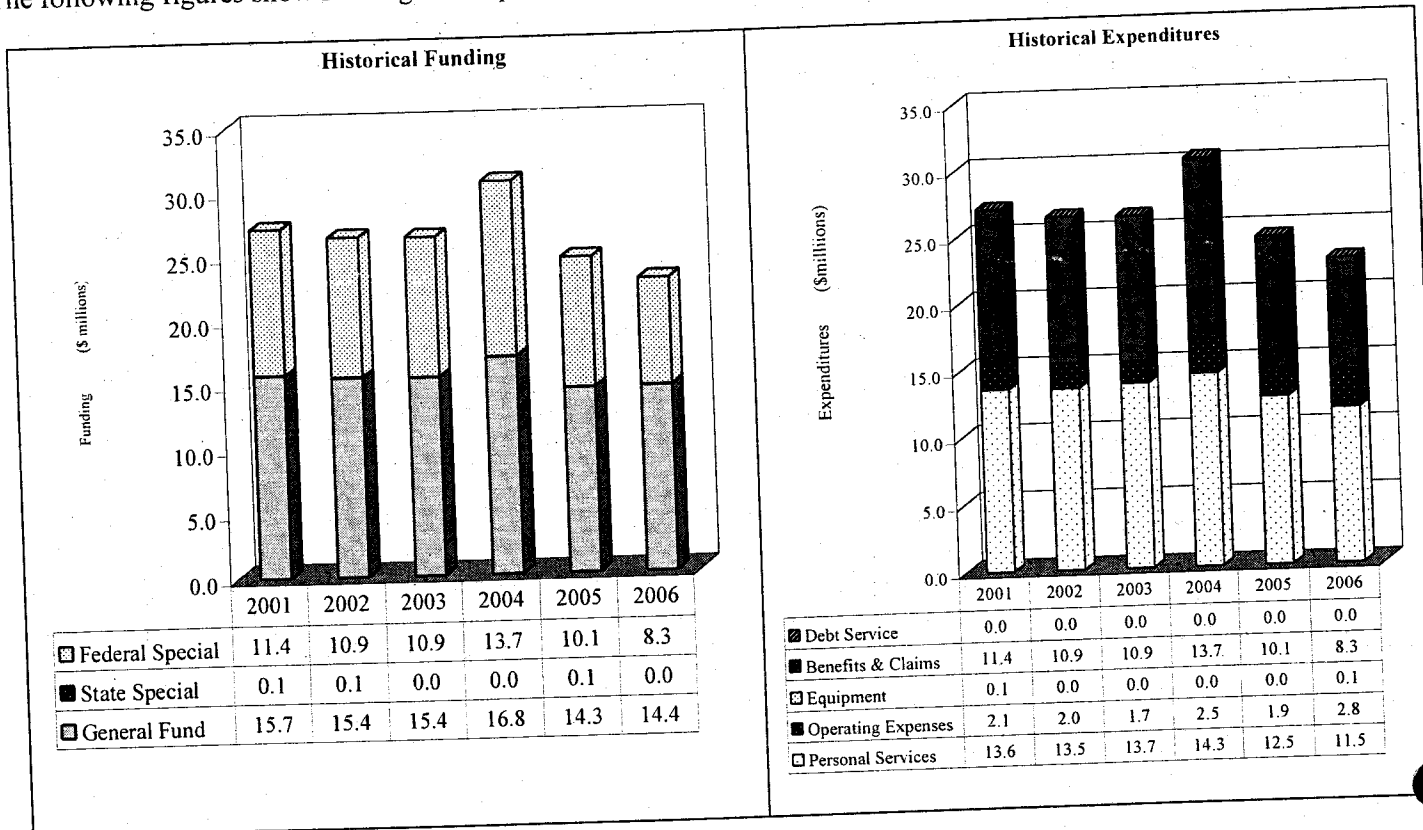
## Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of Montana Developmental Center. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.



The above information does not include administrative appropriations. Departmental indirect charges are not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB 2 funding.



The general decrease in expenditures from FY 2001 through FY 2006 resulted from gradual downsizing of the facility by moving near-total / total care individuals to community-based service settings, as agreed in the Travis D. lawsuit settlement.

The increased expenditures in FY 2004 resulted from:

- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the closure of Eastmont Human Services Center (the reduction at Eastmont was not equal and offsetting to the increase at MDC since more resources were required at MDC to accommodate the transition);
- increased personal services and operating expenditures at the Montana Developmental Center (MDC) from the creation of the Intermediate Care Facility for the Developmentally Disabled (ICF-DD), secure-care unit 104;
- a large increase in the bed tax payment; and
- a large increase in insurance payments.

## **2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION**

### **Program Expansion**

The Montana Developmental Center continues to downsize the facility as agreed to in the Travis D. lawsuit settlement. The census has decreased from 86 as of July, 2005 to 72 at the end of December, 2006. The "program expansion" associated with this movement to community is also mentioned in the Developmental Disabilities Program overview.

The 2005 Legislature appropriated general fund and federal Medicaid funding to reduce the developmental disabilities community services waiting list by fifteen individuals. The request was funded at the average cost plan amount for intensive individuals (intensive individuals not receiving services are usually the most in need and are usually the first selected through the screening process). As of December 2006, forty individuals have been moved off of the waiting list and screened into community services. More individuals were screened into services as compared to the original funding request since the actual average cost per individual was less than the projected average. The division prioritized this expansion state-wide and determined that some of the individuals most in need were able to receive services in less-costly settings. Even though funding was appropriated for both years of the biennium, the division purposefully waited until mid-FY2007 to implement this expansion. This was done to facilitate the movement of individuals from the Montana Developmental Center to community services and allow the closure of the total care unit ahead of the schedule agreed upon in the Travis D. lawsuit settlement. The timeline of this closure was moved up to relieve some of the budget pressures on the Montana Developmental Center.

### **FTE**

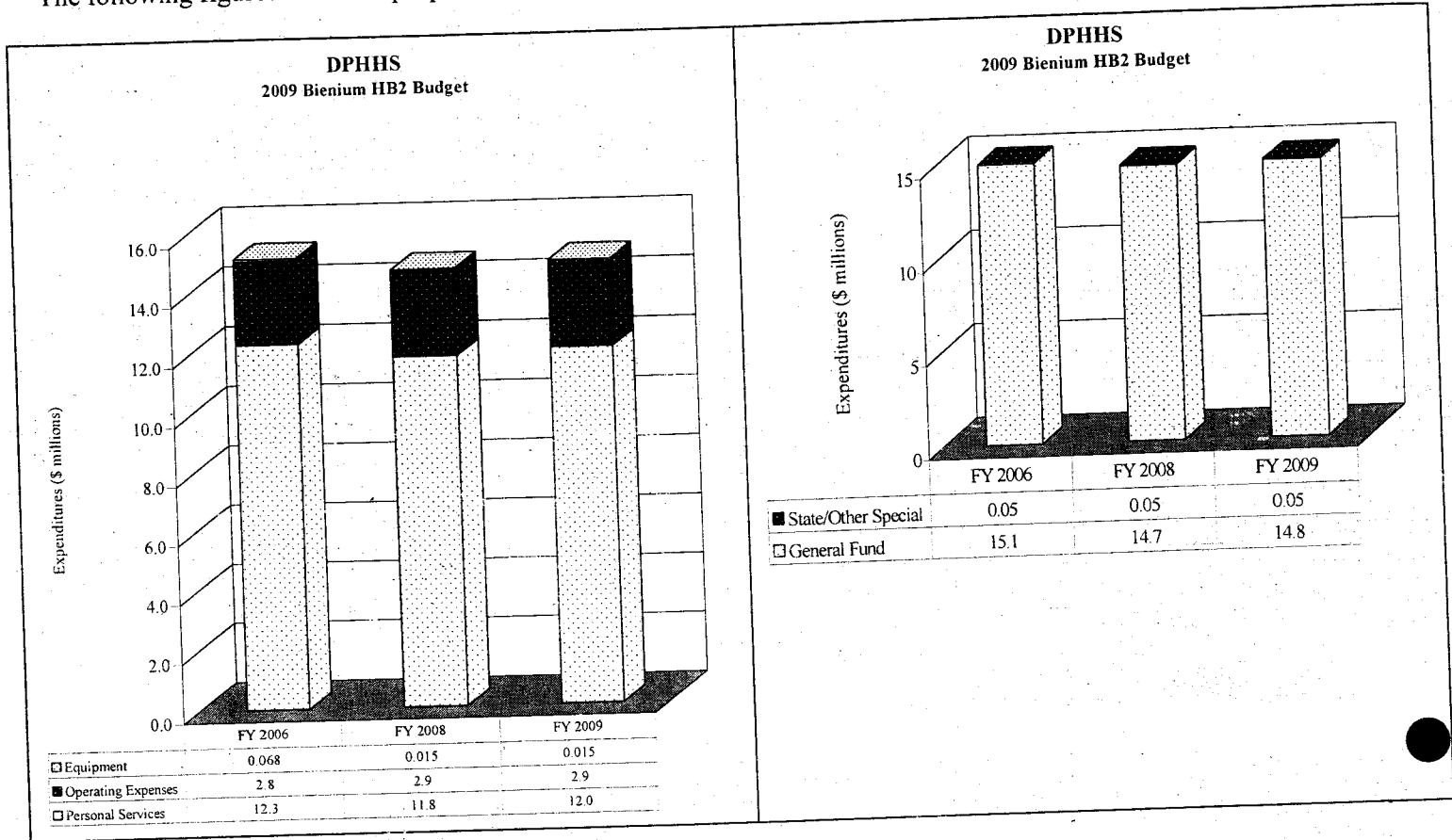
No new FTE were approved for Developmental Disabilities Program during the 2007 Biennium.

### **CORRECTIVE ACTION PLANS**

The Montana Developmental Center had no legislative or federal audit recommendations and no associated corrective action plans in place during the 2005 biennium.

## 2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



## Goals and Measurable Objectives

The following figure shows the Montana Developmental Center base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Department of Public Health and Human Services Disability Services Division / Montana Developmental Center		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
<u>Montana Developmental Center (MDC) Mission:</u> To improve, preserve, strengthen, and protect the health, well-being, and self-reliance of all individuals served, in an environment that respects and develops those individuals charged with providing services.		
5. Montana Developmental Center (MDC)- Continue to move individuals from MDC to community-based services.	Move all individuals from the total care unit (unit 16AB) to community-based services and close the unit before December 2007, as per the Travis D lawsuit. (PL 10003 - Annualization of Community Service Cost Plans. Pg B-132)	As of January 2007, five of the original 18 individuals remain on unit 16AB.
6. MDC - Maintain Medicaid and ICFDD (Intermediate Care Facility for the Developmentally Disabled) certification. <u>*Medicaid Objective:</u> Assure that the quality of care meets acceptable standards.	Successfully complete annual reviews from state licensing and the federal government (i.e. review of all policies, health and safety, behavioral treatment, staff qualifications, etc.) (PL 10004 - MDC Base Adjustments. Pg B-133)	Both units are currently licensed with no outstanding deficiencies.

## BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Montana Developmental Center (MDC) budget submission to the Governor's Office:

- PL 10004 – MDC Base Adjustments. (Pg B-133) Re-establishes funding at the Montana Developmental Center (MDC) for zero-based personal services costs, such as overtime, holiday, and differential pay. MDC is a 24-7 facility. (see goal # 6)